

COMMITTEE ON FINANCE

April 25, 2001

6:00 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Sysyn.

A moment of silent prayer was held.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Levasseur (arrived late), Sysyn, Clancy, O'Neil, Lopez, Shea, Vaillancourt (arrived late), Pariseau, Cashin, Thibault, Hirschmann (arrived late)

Messrs.: Kevin Clougherty, Barbara Connor, Kevin Sheppard, Randy Sherman, Howard Tawney, Frank Thomas

Mayor Baines advised the purpose of the meeting was discussion relative to FY2002 budget requests as follows:

Highway Department:

Mr. Thomas stated I'd like to get started by doing a small prepared presentation that will hopefully answer some of the questions that you'll be raising, it will be very brief and then we'll open it up to questions. The Department of Public Works consists of four divisions each having it's own budget. Highway and Building Maintenance Divisions are funded through the General fund and the Environmental Protection and Aggregation Divisions are Enterprise funded. The total proposed operating budget for the Department of Public Works this coming year is \$37.7 million approximately. Our first presentation as the Mayor mentioned is on the Highway Division's operating budget. The Mayor's budget for the Highway Division maintains the status quo. Our salary lines items have been increased only to cover negotiated increases. Operating expenses remain the same except for increases in contract services...contracts that we have on-going that, quite frankly, the increases are beyond out control and under special projects an additional appropriation to cover civic center related services. Given the bottom

line number by the Mayor based on that scenario we did reallocate some of the funds into areas that we felt needed to be beefed up, etc. I'd like to review a few of the lines items which I think would be of interest to you. Regular Salaries - our complement as I noted before remains the same with 183 permanent and three temporary employees. This represents an increase of about \$303,000 and represents approximately a 4.7% increase over what was appropriated last year. We did request additional funds in the amount of about \$21,500 for an extra temporary laborer to provide some basic maintenance on the Riverwalk...that was dropped off. Before the budget is finalized, we do intend on reallocating approximately six vacant positions that we'll be carrying just due to the fact that it takes time to fill the positions and reallocating those funds into the resurfacing line item. As you can see on the slide for FY01 and 02 the allocation stays about the same at \$113,000. We did request \$215,000 for resurfacing...that coupled with \$550,000 in the CIP would have given us \$800,000 which we feel is, quite frankly, getting to be a minimal amount that should be spent on road resurfacing due to the condition of the roads. If, in fact, we are allowed to reallocate those salaries from those vacancies into this area would bring our resurfacing up to \$241,000...Alderman Wihby.

Alderman Wihby asked where is the \$250,000...where would that show up in the stuff that we have here.

Mr. Thomas replied if you take a look at the budget on line item 0683 Resurfacing it's on the second page of the Highway Department Summary that you should have received, it's actually the third page in from what I have...the first page is a summary of all of the departments in the City and then the attachment to it would be the summary for Highway Division. Again, we had requested \$250,000; that was reduced down to the \$113,000...reallocating vacancy salaries...we'll get it up to approximately \$240,000 which we feel is a reasonable level moving forward. Our Overtime line item has been increased by \$55,000 for two reasons: first, in order to maintain the same number of overtime hours, we had to increase that line item by approximately 4.5% to cover negotiated increases. This will provide us the same number of hours of overtime that we presently have to address snow removal operations, other emergency situations that come up and planned overtime such as street sweeping at night, equipment repair. The second area of overtime that was increased as noted up there is that we budgeted to continue with the 7-day collection Downtown. The additional 4 hours on Saturday/Sunday that we presently have authorization to continue and, I believe, we got a small appropriation out of contingency to accomplish that. So, that defines the increase in the Overtime line item. Our Contracts...I had mentioned that contracts was one area that the Mayor did increase...just to summarize...our contracts went up by \$346,020...\$314,000 of that is in solid waste related services due to increases

resulted from our contracted daily CPI adjustments, increased solid waste tonnage and increased activities up at our Solid Waste Drop-off Facility on Dunbarton Road. So, those increases have to be addressed in our contract with Waste Management. The good news is with increased usage upped at the drop-off area coupled with our proposed increase in fees up there we anticipate bringing in approximately \$150,000 in additional revenues from that operation that will somewhat offset those costs. In addition, as noted up there there is a slight increase in highway maintenance contract services of \$32,000. This includes crack sealing, guardrail replacement and pavement reclamation. We have found over the years contracting to have somebody come in and grind up some of the streets that are really bad, if we don't have money to reconstruction and then grade them out with our own people and resurface it, we save money...we get a lot for our buck instead of reconstructing it. So, that area has gone up. The one request that was not granted in the Mayor's budget is that under Contracts we did propose to go to a weekly recycling program at a net increase in cost of about \$343,000...that was not approved. The next slide talks about equipment costs...an aging fleet coupled with increased usage due to having to deal with a more severe winter has caused these particular line items to go out of sight and they are Vehicle Repairs & Parts & Tires and Batteries. Vehicles repairs by the time we finish off the year we'll be closer to...that line item will be costing us approximately \$430,000, we are budgeting \$400,000 in the Mayor's budget. Also, tires this year...by the end of the budget year will be up about \$100,000 and you ask why...when you're out plowing with chains on the tires, those chains eventually cut the tires and cause a lot of replacements. So, you can see that that line item has gone up. The reason why we had that slide up there was that we were trying to note that the bottom lines are going up in those areas. This slide represents line items in our operating budget that have increases due to escalating costs to purchase the materials. I've been hoping for the last two years that fuel costs were going to go down, but seeing what's happening lately, it looks like they're going out of sight again and that's why you can see here we're budgeting \$200,000 where this year's approved budget was only \$143,000. Rock Salt, which is another large line item...the cost to buy rock salt this year has gone up 11%. So, in order to maintain the same quantity of rock salt that we have to fight a normal winter we have to add \$50,000 to what was appropriated in this budget year to maintain the status quo. Quite frankly, these lines items are all directly (except for the fuel oil) related to the amount of snow and the amount of times we have to go out on operations...increased fuel costs and salt costs. Right now, our fuel cost is projected to wind up approximately \$230,000 and this year (to date) we have spent \$575,000 in salt, so you can see that it stands to reason that the more snow you get the greater those costs. Fuel Oil hasn't been adjusted up there too much. We may have to make some modifications by shifting a couple of line items around before our budget is finalized. The next slide deals with Equipment. Our equipment line item allows us to replace things like salters for the back of trucks, replace plows and other smaller pieces of equipment like dumpsters for

parks and schools... basically, small equipment that's not included in the City's MER account that we need to maintain our operations. What has happened though over the last few years is we typically hold off spending this account until we make it through the winter. In FY99 and 00, if you remember, there were freezes in the spring time, so unfortunately...an example up there for last year FY00 we had a little over \$100,000 approved...with the freeze we wound up spending only \$28,000. This year there's no freeze in place but we had to transfer \$40,000 out of that account to addresses shortages in snow-related line items. So, again, this year we're in the same position as last year. What we found...it's easier to transfer money out of that equipment account than to try to transfer money back in, but you can see that that level is definitely difficult for us. We did request \$180,000 in Equipment and we're winding up with \$87,000.

Alderman Wihby in reference to Equipment (approved \$107,000), but I look at actual and you spent \$28,000, right. So, you decided over the course of the year things were tight so you took it out of equipment and transferred it somewhere else.

Mr. Thomas replied that is correct. I took \$40,000 out of my allocation for equipment and reallocated it into some of the snow-related accounts, so it could have been fuel or salt or whatever.

Alderman Wihby in reference to 01 (approved) stated there was \$63,000 and then you revised it to \$23,000, so we're seeing \$23,000, we don't see \$63,000, but I guess we don't have to see the \$63,000 because...when would you have done that...during the course of the FY01 you could do that anytime.

Mr. Thomas replied yes, we can request transfers out of any line item during the course of the year. Line item transfers within categories such as expenses or in salaries say from overtime to regular or regular to overtime or from...in this particular case, from equipment say into fuel that's basically approved by the Finance Department, I believe.

Alderman Wihby in reference to Salt 681, it said that for FY02 you asked for \$497,000, right.

Mr. Thomas replied yes, we asked for approximately \$500,000.

Alderman Wihby stated the Mayor funded you basically the same amount you asked for.

Mr. Thomas stated yes, that is correct.

Alderman Wihby asked...I don't understand how you had this \$450,000 for...

Mr. Thomas stated in FY01 the approved budget for that line item was \$450,000. You don't have what was approved, all you have is what's actual right now as we're speaking for our budget.

Alderman Wihby stated so somewhere you had to put in an extra \$100,000 and it came from some other line item. So, we're seeing \$550,000 because that is what you are actually using this year.

Mr. Thomas replied that is correct and before we're finished with this budget year, I am going to have to transfer another \$25,000 into that to cover what I spent.

Alderman Wihby asked is that \$550,000 basically what you...a good figure for now is that...when is this revised figure from...is that from July 1st or is that an on-going number when this book was printed on April 6th. Okay, so this is a picture as of April 6th...he thought he needed \$550,000.

Mr. Thomas stated at that time I needed \$550,000 and right now what I've spent to do is \$575,000, so I am going to have to transfer another \$25,000 into that line item so that I end the year in the black. How have I been able to do some of these increasing of line items if as I previously mentioned the Mayor basically gave us a bottom line budget, a no frills budget and the simple answer to that is that I've been able to take advantage of rate reductions in Street Lighting. Street lighting was funded...there was a small reduction in the rates this year, I was able to take some of those savings and reallocate them into snow-related line items. Moving forward with the Mayor's (quite frankly) tight budget, I said that I believe that deregulation is going to take place, it's going to be a fact and it's going to be in place, hopefully, by July 1st and with that total reduction I've been able to take some additional savings out of the street lighting...I know it's supposed to be May 1st, but the way deregulation has been working...

Alderman Gatsas interjected May 1st.

Mr. Thomas stated I'll be it on July 1st.

Alderman Gatsas stated the bonds are already gone, May 1st.

Mr. Thomas stated that's what I've heard, but so many things have come up to delay this Settlement Agreement, I hope you're right. But, the bottom line is for next year's budget I've assume an approximate 14.3% savings of what we're carrying in FY00; that equated to approximately \$150,000...this year from last year which I've been able to take some of that money and allocate it into fuel costs, into salt costs, etc. So, I have followed the Mayor's guidelines and I'm using his bottom line number, I just had a little bit more flexibility to address some of the deficits that I've just gone through. The next slide Special Projects...we typically get funded for 2 Household Hazardous Waste Collection Days (\$25,000).

This year we requested an additional \$5,000 for some miscellaneous small tools and products/materials to maintain the Riverwalk. The Mayor's proposed budget was for \$202,000 and the makeup of that budget was \$25,000 to maintain the Household Hazardous Waste Collection...we've got a 100% match from the State and then there were civic center costs that we identified to the Mayor's office through the budget process...we felt that there would be some one-time costs of \$99,000 and some additional yearly costs of \$73,500...that reduced what we had available for the Riverwalk (\$4,500). The next slide details exactly what those civic center costs are. If you take a look at the slide you'll see that we felt that we needed to buy at least 50 trash receptacles to put in the Downtown area, not only around the civic center, but the major walking routes to and from parking areas. We felt it was important to give an extra, a higher level of sidewalk snow removal operations in the winter and, quite frankly, we needed another snowblower to do that because our number one priority is still the schools and the walking routes to the schools, but realizing that the civic center is important, we felt that we needed another piece of equipment there; that was the \$99,000 one-time costs. Our yearly costs are defined and involved Eight 2nd nights of snow removal from the Downtown area. Right now, we're budgeted to remove snow out of the Elm Street area approximately eight times a year. We felt...and that area was kind of focused on around Elm Street, City Hall, Hanover Street and some of the side streets between Bridge and Lake. We felt that there would be a need to potentially do more snow removal in the area of the civic center, especially again in the areas of the walking routes, so we built in a second night of snow pick-up for \$42,000. Expanded sidewalk snow removal - we estimate about \$5,000 worth of overtime and weekend trash receptacle collection...if we get out all of these receptacles and we have all this activity down there, we felt that those receptacles had to be emptied on the weekend, we are moving forward with the half-a-day Downtown refuse collection, this would just extend that to a full day on Saturday and Sunday. The last slide is areas of potential cuts. I know you're not here to give me more money, I'm to assume that you are here to look at ways of cutting my budget more. Again, I believe the Mayor's budget is a bare bones budget and as I mentioned without the benefit of reallocating some of those street resurfacing funds, I quite frankly, would have had to cut into services which I hadn't had to do because of the benefit of the street lighting. If I'm faced with additional cuts in my operating budgets they are going to have to come out of these areas here, why. Because these are the areas that I just expanded are the new services: Resurfacing, Riverwalk Maintenance, Downtown Snow Pick-up, Contracted Highway services in some of the civic center functions. Those new or expanded services in our budget...those would be the areas that I would have to look at cutting first. With that I'd be glad to try and answer any questions you might have.

Alderman Levasseur asked what is the percentage increase over last year's budget.

Mr. Thomas replied about 6% and that includes benefits too...including benefits it's about 6%.

Alderman Levasseur asked without the benefits.

Mr. Thomas replied quite frankly, I don't have that number; that number I've taken off of the budget sheets that you have.

Alderman Levasseur stated out of the \$1 million that the Mayor set aside in the CIP Program for vehicle repair, how much do you...is that anywhere in your budget or is that extra.

Mr. Thomas replied that is a separate appropriation; that is in the MER account, I believe. We obtained about \$600-650,000 of that.

Alderman Levasseur stated that's another \$650,000 that you'll get on top of this budget.

Mr. Thomas stated I take that back, it's \$434,000 that we're receiving out of the MER in the bond side and then on the cash side we're picking up another \$50,000, so close to \$500,000 and that isn't in our budget that's separate.

Alderman Cashin asked how much have you set aside for the civic center.

Mr. Thomas replied the civic center was \$172,000.

Alderman Cashin stated my other question...and I don't mean to put you on the spot, Frank. Can you define a merit increase for me in Yarger Decker.

Mr. Thomas replied the way the final product for the merit increase was defined is that you fill out, at the beginning of the new year, employee development forms and the major portion of these forms deal with what you hope to accomplish during the course of the years (goals and objectives) and at the end of that year you sit down with your supervisor (in my case the Mayor) and you review these forms and if you accomplish basically what's on these forms and if other areas such as attitude, punctuality...those types of things, if you've met the minimum requirements or the average requirements you would get the merit increase of 3%.

Alderman Cashin stated that is not the way I define a merit increase. I understand the goals, I understand the objectives, but when I worked with a merit increase it was always over and above what you're expected to do.

Mr. Thomas stated in the case of the way the merit package was put together for the City there is what is called a cash bonus which is a one-time bonus of 3% of your salary. I guess you would look at that as the bonuses for extraordinary

service and the normal merit is for doing your job. Now, maybe I'm jumping the gun, but the Mayor is going to ask the original Quality Management Committee that first brought Decker into the City to take a look at the entire Decker Plan because it has been a couple of years now, does it need modification in some areas...my personal opinion on the merit side, for the bargaining units, it really should be a much shorter form, maybe a one-page form, but a one-page form that you sit down with the employee more than once-a-year...three to four times a year, so if I have a particular problem as a supervisor with an employee with maybe Friday and Monday sick days I can more or less counsel them over the course of the year to try to get that improved and corrected and then at the end of the year if I don't see an improvement then I think there's a justification for potentially not giving out the merit increase.

Alderman Cashin stated why I asked, Frank...95% of City employees received a merit increase last year. Now, any merit plan that I have ever worked with...that's astronomical. If it ran anywhere between 12 and 17 percent on a merit increase that was high. So, evidently I misunderstood the merit plan...

Mr. Thomas stated I think there's a...the whole area has to be looked at and the Mayor is going to ask us to do it. One of the areas is cost of living...do you have cost of living and a merit or is the cost of living suppose to be allocated to maintain the pay schedules competitive with the market place...where merit, I think...it's a good first step because we've never had merit...the bargaining units have never connected performance to pay increases...it's a good first step, but I think it has to be worked on a little bit. I think it has to be improved, number one, just to shorten it because it is too long and cumbersome in my opinion.

Mayor Baines stated just so that the Board is aware of this...I've had a number of conversations with the Chairman about this since I've been in office. The process is extremely cumbersome, it's unmanageable...that is how I would describe it and we are going to convene this group together because the system is set up with a numbering system and sometime we are going to have a presentation to the Board on it...it is practically impossible to use that system and somebody not to get a merit increase under that system. So, we are going to be looking at it and coming back to the Board with some recommendations within the near future on that.

Alderman Thibault stated in view of the winter we've had this year...many of our roads/streets are in deplorable condition. I wonder if the allocation that you have here of \$113,000 is going to be sufficient plus the \$250,000.

Mr. Thomas replied that allocation of \$113,000 as it's proposed coupled with \$550,000 in the CIP is what we'd have available, however, I strongly feel that \$800,000 is a minimum number and we can work with our crews and that is why I am proposing to take some of this salary money from vacancies and shift it into that line item, if at all possible.

Alderman Thibault stated I really believe that has to happen because we have some streets, this year, I feel have deteriorated to the point that something has to be done on some of these streets, there's no doubt about it.

Mr. Thomas stated I agree and again one of the reasons why we are successful, at least for the time being, that contract street maintenance money, even though it's only \$32,000 that will allow us to grind up some roads.

Alderman Gatsas stated I think we started talking about cash bonuses, how many employees received cash bonuses.

Mr. Thomas replied at the Highway Division, I'm not sure if any did although we may have had one.

Alderman Gatsas asked how much.

Mr. Thomas replied it would have been 3%...it might have been a couple of thousand dollars, but we only had one. We did not have a lot in the Highway Division.

Alderman Gatsas stated the reason why I was asking is because I'm looking at your number from last year \$17,020.644 and there's about a \$3,000 difference, so was the bonus about \$3,000.00.

Mr. Thomas replied probably about \$3,000 yes, it was for our new Facilities Engineer. He came on, stepped right in, he did what we classified as a Herculean job of taking over all of the school projects and, quite frankly, if we wanted to document it we could probably show the savings...

Alderman Gatsas asked what that 3% over and above the steps and the merit.

Mr. Thomas replied that is correct.

Alderman Gatsas stated that employee was looking at somewhere around 8% for that given year.

Mr. Thomas replied over the course of the year, yes; that is correct.

Alderman Gatsas asked who had to approve those.

Mr. Thomas replied I do, the HR Department and eventually the Mayor.

Mayor Baines stated there have been very few approved during the past year-and-a-half.

Alderman Gatsas stated I'm looking at your Health Insurance number and I see the expense for up to March 31st is \$647,000...if I annualize that out it's \$863,000, there's about a \$129,000 differential on page 30, line 0211. Then I noticed that on the department request is \$999,000 and the Mayor's recommended is \$1.139 million, which is almost...

Mr. Thomas replied first of all, I think you're asking the wrong person. The departments do not do any of the budgeting for benefits. Those numbers are furnished us through the HR Department, so those are line items that are beyond our control. In this budget year moving forward it is my understanding that we're not going to be responsible for them, so if a line item here or there goes over that they'd be made up out of some kind of salary adjustment account.

Alderman Gatsas stated your understanding is that you don't have to go forward with that. Why is that?

Mr. Thomas replied I think that was something that was decided at the end of the last budget process. If you remember last year severance monies were allocated in our operating budget and we had some responsibility over benefits line items, however, there was also some money put in, I believe, under Alderman Wihby's final budget into some type of salary adjustment to take care of any overages in

the budget that the departments couldn't handle. Moving forward, I think that the determination was made somewhere that during this budget year we would be going back to the way it was handled two years ago where the numbers in the overages would be addressed through salary adjustment.

Alderman Gatsas stated the only reason why I'm bringing it up is that I look at your Health Insurance line which \$157,000 on the budget change the Workers' Comp which is 0214 (\$143,000)...if you go down to...those are the two major ones...that's \$300,000 in your budget.

Mr. Thomas stated that is correct and again I don't know how those numbers are arrived at.

Mayor Baines interjected Howard can respond.

Mr. Tawney stated the department's budget request was before we had the new numbers...the 18% increase for the cost of health care.

Alderman Gatsas stated what I'm looking at is the actuals, year-to-date annualized over a yearly basis...if you want to jump into the middle of this, However, I'll welcome you right in. If I annualize the actual expense of \$647,675, the actual

comes to \$863,566 annualized...\$647,675...if I divide that by 9 months, multiply it times 12 I come out to \$863,566 on an annual basis.

Mr. Thomas interjected I have in front of me my operating budget printout as of April 19th and the Workers' Compensation line item that's in my budget...

Alderman Gatsas stated I'm on Health Insurance, Frank, but that's okay.

Mr. Thomas stated Worker's Comp I have year-to-date (\$267,000), so if you're projecting forward I think what the Mayor or Howard or whoever has budgeted for the Workers' Comp number in the range of \$330,000 is probably a good number.

Alderman Gatsas asked what is your number as of March 19th, please, is that what you said the date was that you had.

Mr. Thomas replied no, April 19th...I'm up to \$267,000 in Workers' Comp charges.

Alderman Gatsas stated let me just go to the Health Insurance then I will go down on Workers' Comp on the next one, if I have an opportunity. If I annualize that, Howard, do you see where I'm coming to.

Mr. Tawney replied yes, I do.

Alderman Gatsas stated there's a \$129,000 difference, \$129,534, why.

Mayor Baines stated go ahead, Howard. He's asking "why".

Mr. Tawney replied I can't tell you right here sitting with the numbers before me why that is at the moment.

Alderman Gatsas stated let's go down to Health Insurance on line 0521.

Mr. Thomas stated my insurance expenditure to date, again, based on my April 19th report is \$137,000.

Alderman Gatsas stated you're only budgeted \$120,000.

Mr. Thomas stated that is correct, but these numbers we did not budget for. These numbers were given to us.

Mayor Baines stated all of the numbers for benefits came from Human Resources.

Alderman Lopez asked aren't we going to have a special presentation in reference to this and if it has nothing to do with the operating budget this evening that the

Superintendent can't answer then when we get into the special presentation we can have all of these questions answered with the right people here.

Mayor Baines stated that was going to be the first presentation on benefits and health insurance issues and we moved this up as requested by the Aldermen which is why we are doing this ahead of the benefits presentation.

Alderman Gatsas stated I understand that, but if we're asking the department head to run a department and for somebody to say as a department head that they shouldn't know what their health insurance cost is because we're not going to look at it that way any longer is not...when that is one of the bigger line items between that and Worker's Comp how are we asking him to run his department and I'm not saying it's a fault of your, Frank. You're just getting regurgitated numbers and if they're wrong you've got to live with them.

Mr. Thomas stated I am certainly not an expert in health benefit line items, but the way I look at it, quite frankly, I think it's better to be conservative in the allocation in the department operating budget with benefits and then keep a salary adjustment account or a fund because if I was to budget these benefit numbers, I would have to budget them at levels that I felt reasonably comfortable with and numbers that I could justify. Now, I think if you take a look at all of the departments and that there's going to be more total funds allocated than if you take potentially these extra monies and put a half or two-thirds of them away in a salary adjustment account. But, I also understand what you're saying. If you're running a business, running a department you should be responsible for everything, but again, I think pooling some of those unknown monies in one area, I think totally you have to appropriate less. At least that is my opinion.

Mayor Baines stated we can continue this discussion and I know it was part of the process last year as well.

Alderman Levasseur stated, Mayor, maybe you could answer this or maybe Wayne could. What is the 96% merit increase, how much did that come out to in a dollar value.

Mayor Baines replied we don't have that unless Howard...I think we may have shown that in the original budget presentation, but we can get that for you.

Alderman Levasseur stated I think that number would be good for everyone to know...just exactly what that merit increase cost the City.

Mayor Baines asked if we could get the 96.5% in dollars of the merit increases, we'll get the information for you.

Alderman Levasseur stated and I'd also like to know, Frank, because I think it's very important to your budget the 6% increase over last year's budget, if you took out the increase in the benefits and I would imagine that also includes the number for Health Insurance and Workers' Comp or is that not included.

Mr. Thomas replied like I've said on a couple of different occasions to me this is a bare bones budget...

Alderman Levasseur stated I'm trying to show you that it's even more bare bones than anyone imagines because what I'm trying to get to here is...

Mr. Thomas stated it's not a 6%, you take out the negotiated salary increases, you take out the contracting increases that are there that we have no control over and you take out the money allocated for the civic center, we have a "zero" increase; that's our budget a "zero" increase.

Alderman Levasseur stated that is what I want to talk about right now because I agree with Alderman Thibault that I honestly don't think we can go with a "zero" percent increase. If you take away what the increase is...I also disagree that your civic center money should be put into your budget and counted as an increase into your budget because the revenues to be generated will cover that...from your parking revenues. I know we're playing with numbers, but you guys are looking like you're increasing your budget, but basically the revenues are there to cover those trashcans and such. So, if you take that out of your budget I actually think you're at a...

Mr. Thomas stated I really don't think it should come out of the budget. As I stated earlier in the Solid Waste area we're paying increased solid waste costs and part of those costs is because there's more people utilizing the drop-off area which means it's costing us more to run it, however, that's also reflected in more revenues...more people come in, the more we charge (revenues), so there's an offset.

Alderman Levasseur stated if I'm going to approve any kind of a tax increase on the property taxpayers of the City of Manchester I think that the taxpayers should really know what they are paying for and what they're getting and what they're getting here is a bare bones budget, they're getting nothing...they have to have a increase in sidewalk money, they need an increase in paving money for these... you can't just grade a couple of roads down. These roads in the City of Manchester are atrocious, we all know that and if we're going to work around this I would like to see you ask for some more money in maybe a couple different areas. You're coming to this Board right now...this is the Board right here that is working on a separate budget and I would like to see department heads come in and say well, we have a budget thrown at us and this is the Mayor's budget, but that doesn't mean you can't come to this Board right here and say we could use a

couple hundred thousand dollars and we could get more things done over the summer...the economy is slowing down just enough where you might be able to get some more pavers in here and some more construction guys to do some of this work.

Mr. Thomas stated in a way I am shifting some of the monies around in my budget, I am actually increasing some of the line items to the tune of \$250,000. As I mentioned I'm utilizing the savings in Street Lighting, but that could have been taken out of my budget, but it wasn't.

Alderman Levasseur stated I don't have a problem with that, but tell us what you're going to do with that extra allocation of \$250,000, say it to us...I'm going to be able to take care of this, this and this...each ward is going to go from \$50,000 in street money and go up to \$100,000 or are we going to increase sidewalk money from \$75,000 to \$150,000; that is the kind of stuff I want to see. I want to see some results on some of these streets and some of these sidewalks that we have problems with and I think that a lot of these Aldermen share these same sentiments and I don't have a problem saying if I have to take some money from somewhere else and we're going to cut budgets somewhere else or cut percentages from other departments...your budget is \$37 million and that covers (I can't imagine) how many miles that covers. I know it's 26 miles of sidewalks just in my ward, never mind the whole City and that's not including the streets. So, I'm just telling you right now if you want to come here and say we want to get more work done and we have the capacity to increase our work load if you can give us some more money, I don't have a problem giving you more money if we need to do that. Unless you think the money you have in your budget right here, right now at \$250,000 taken out of your lighting to put into other sidewalks and stuff is going to...you're going to have a problem with that increased capacity or are you going to maximize that capacity that's fine.

Mayor Baines asked, Alderman, can we just let him respond.

Mr. Thomas replied I think what you've got to do is take a look at what we requested. Our request to the Mayor was \$18.686 million which is about \$500,000 more than we wound up with. So, you can see that in our request we identified a lot of this stuff. Again, I had \$250,000 in Resurfacing instead of the \$115,000, I had some of these other areas beefed up, but again, the procedure is that I submit my budget which I'd like to see and improvements such as recycling. The Mayor in putting together his budget has to make some hard decisions. But, what I'm here tonight to do is to tell you don't cut me anymore.

Alderman Levasseur stated I understand that but a lot of these department heads come to this Aldermanic Board and they say please, don't cut us anymore that we've already been cut out of the Mayor's budget, but you also have to come here and also ask for some more money if you think it's appropriate. Now, people don't

want to hear that but I don't mind paying a little extra money in my taxes if I'm going to see some improvements in my sidewalks and my roads...

Mr. Thomas interjected you'll love the next presentation then.

Alderman Levasseur stated I'm going to make this request to the Aldermen. When we go through this budget process which we are going through now I'm hoping that this budget team may be able to find some more money to give to Mr. Thomas for these certain things that were cut out of his budget by the Mayor and that's what we're doing here right now...I've been through this process once and I've learned that this is how it works but we're going to start talking and persuading each other, we're going to cut budgets somewhere else and take money from other places, let's try to reallocate it towards the Highway Department where we can see some results.

Mayor Baines stated, Alderman, I just want to caution you that this is the very first department that you're hearing from and I'm sure you will have...

Alderman Levasseur stated this is the one department I really do care about, though, because this is the one that I really think needs the most help, okay.

Mayor Baines stated okay, we appreciate that. The process that you would use if you felt at a certain point in time that you wanted to add \$200,000, whatever to the budget is to make a motion, get a second and vote on that proposal. And, the other thing is we have a list of things that we would have loved to have included in all of these budgets from the Mayor's Office as well that we would be glad to provide to you, but again there are some restrictions on bottom lines here.

Alderman Levasseur stated I would like to ask one more follow-up...is it possible, Mr. Thomas, that you could supply this Board...we go through the process in the CIP process where we expedite projects and it's a good idea to do it because we want to make sure we hit the construction season at the right time. I don't know if we did this last year, I don't believe we did but could you put together an expedited list of what you think the most important streets or the problem areas are in the City of Manchester, so we can see if you are going to be able to get this at this point. In other words, I can go out there with my video camera and say...I remember, Mayor, during the budget there were a couple of people who came in for Mission Avenue and I would think that would become a priority and I would think, Frank, that you could put together a priority list for us and say well, these roads are just absolutely necessary to have to be done.

Mr. Thomas replied yes, I'd be glad to do that. But, I think you are mixing the CIP part of the budget with the operations for some of the budgets. As far as Mission Avenue, I will jump up there tomorrow and utilize resurfacing money to address that...the problem is it's more of a legal issue in the fact that that street has to be dedicated to the City and that dedication process requires...

Alderman Levasseur stated I'm not trying to mix up the CIP, I'm just saying I like the way we do it in CIP, I think I'd like to see it done in Highway.

Alderman O'Neil stated I can say I'm aware of the increase at the Drop-off Center because I was one of 35 vehicles in line last Saturday, so the citizens are using it. If I understood Howard we're going to see an 18% increase for everyone across the board on Health Insurance, is that correct. When I do a rough go through of three major departments it's listed at Highway at 15%, Police at 9% and Fire at 14%. So, it appears that we need some work on these books and they need to be updated. I know at the time they were put together it was an estimate, but even it was an estimate why aren't they the same in every department.

Mr. Tawney stated the increase in the health care is an average of 18.3%. If you have Blue Choice, it's going to be about 10.5%, if you have Matthew Thornton the cost increase is going to be slightly over 30% and for the retirees the increase is going to be about 16%.

Alderman O'Neil asked is it safe to say that of the three departments I just talked about the Police probably have more people on Blue Choice.

Mr. Tawney replied I would believe so, yes.

Alderman O'Neil stated so it won't show the same across the...

Mr. Tawney replied no and another thing that you need to realize is that people's needs change and they may have a 2-person plan or a family plan, get married and no longer need coverage and things like that and all of those changes between the two years does have a significant effect.

Alderman O'Neil stated this is going to be an issue, it's been in the past...the benefits portion when we get hung up all the time we need as updated information as possible.

Mayor Baines interjected that's Monday night, isn't it.

Alderman Clancy asked, Frank, how much money were you allocated for severance pay this year, I didn't see it in the line items here at all.

Mr. Thomas replied the HR Department allocated for us \$80,000. We internally budgeted \$120,000 because we felt that was closer to the actual average, but that doesn't show here anywhere.

Alderman Clancy stated I just wanted to know because I know you had a rash of retirees here this year with numerous years on the job.

Mr. Thomas stated right; that is why we felt that the allocation that we got in our budget of \$80,000 was on the low side. We purposely maintained higher vacancy levels and this and that so that we were sure we would, if necessary, be able to fund the \$120,000 in severances. In May, we're going to get whacked with a big one as you know with the retirement of our Chief of Highway Operations; that is going to be a big hit to our budget.

Alderman Clancy stated after those number of years of service he deserves something, right.

Alderman Shea stated each year...I think this has to do with what Alderman Levasseur was saying. Each year we do, as Aldermen, give you a list of what we consider to be roads within our wards which should be upgraded or paved, so I'm not sure whether that might be helpful for you too. You would have to go around different...you may know of different areas, but you may have to send somebody at taxpayers expense to go around the City and check out streets which would take quite a while. Could you comment on that?

Mr. Thomas stated we have that list that you're talking about. We take requests from Aldermen, we take requests from the public and we take requests by our own personnel. We then send out people to rate them (good-fair-poor-very poor) and we put together an estimate for every one of those streets. So, for every ward in the City I have a list that probably has (at minimum) a dozen of streets identified on them which is what we use to allocate the funds that we have for resurfacing. If I get \$800,000 in Resurfacing money, I try to divide it up fairly evenly. Granted, some wards have a little bit more miles of streets, some wards may have some streets that are in a little bit better shape because they're more established areas, but yes we do have that list, we work off of that list and any Alderman is welcome to have a copy of that list if they want and we add to it every year.

Alderman Shea stated I think Alderman Thibault alluded to the fact of the condition of roads, but I think as Aldermen (without sounding out of place), but we would want each to be treated reasonably fairly and that is what I think you have done in the past.

Mr. Thomas stated we do and as a matter of fact I keep a running total from year-to-year so that if in any one budget year some Aldermen get a little bit more money, he gets a little bit less money the next year.

Alderman Shea stated yes that is what we want fairness.

Alderman Lopez asked, Frank, in transferring the different line items around and let me take 0740 where you ask for \$180,000 this year and this year you transferred some Lighting items around and you revised that to \$23,404...I guess my question would be this. If you had the right equipment could you save money, that's number one and the second part would be in transferring these line items that you planned on during FY01 were there items in there that were essential for you to move forward as the Highway Department and maybe in the long range save money because if you get the drift of my question.

Mr. Thomas replied without a doubt, yes. An example, we requested to the Mayor \$180,000 in Equipment. One piece of equipment was what we call a compact auger, which we were going to put up at the Drop-off Center; that compact auger had a payback of two years. One of our biggest costs up at the Drop-off area is hauling those dumpsters away. Now, if we can better compact what goes into these dumpsters and avoid, cut the amount of hauls down obviously it pays for itself. But, again, that was in the \$180,000 request. If I don't get that that is certainly going to be the first thing that gets dropped out because I still need to buy salters. Unfortunately, the salters wear out faster than the trucks are getting replaced. So, it doesn't do any good to send a truck out in a salting storm without a salter on its back. Plows don't hold up as long...dumpsters, we started off trying to eliminate some of the litter issues in parks...just about every park in the City now has a dumpster in it. We're the ones who buy that, it's not the Parks Department, it's not the good will of the people who are using that park. So, those are the types of items that come out of that Equipment line item. This year, just recently, just after I shifted \$40,000 out to cover snow costs, I had to shift a little bit of money back in because we found out we wanted to raise the fees up at the Drop-off area to catch people like Alderman O'Neil and in order to do that we had to purchase some new software material and hardware material at a cost of \$10,000; that comes out of this line item.

Alderman Lopez stated in looking over the moving and shifting of line items like Fuel, for example, which is real expense and I think you've got \$54,000 this year...

Mr. Thomas stated I'm probably going to have to shift money in there before the budget process is over.

Alderman Lopez stated we're allocating bottom line knowing the fact that you're going to have to shift money around in order to and we accomplish nothing.

Mr. Thomas stated my operating budget is unique compared to a lot of operating budgets in the City because it's so weather sensitive. If we go back to the winter we had a year ago, I have no problem. As I mentioned earlier, the more times we have to send out trucks to address some events, the more fuel we use, the more breakdowns we have, the more tires that are blown, the more overtime...so, everything goes up. I can't speak for the Police or Fire, but they have a more set, a more defined budget to work out of.

Alderman Vaillancourt stated just getting to that point you were just discussing would you say that this past winter was average or worse than average. A lot of people think that we were inundated with snowstorms, but would you not say that it was "not" terribly bad.

Mr. Thomas replied I would not say it was a terribly severe winter, I would say it was more average, maybe a little above. Now, when you hear all of the reports from other municipalities how public works departments are out of money, January 1st and this and that it's because what they've done over the years is they've reallocated when there was a bottom line given to reallocated money out of some of those snow related areas into other areas, maybe kept the resurfacing beefed up. What we've tried to do is we've tried to maintain and fight to keep the snow related line items approximately the same...Salt, we try to keep the same...this year we're looking to bring up to counter inflation...Overtime, we try to keep that number approximately the same again to respond to the snow storms.

Alderman Vaillancourt stated so if next year is say worse instead of better you're in bad shape next year.

Mr. Thomas replied we're in bad shape and quite frankly having a \$100 or \$200,000 in contingency doesn't go a long way.

Alderman Vaillancourt stated to continue along the line that Alderman Levasseur was pursuing...if people don't get their streets or sidewalks plowed that's when you see that government provides a vital function. So, I think his comments to you are not gratuitous compliments, but things that we really mean. I would like to just ask you about sidewalks. Is your policy on plowing sidewalks to plow all of the sidewalks that we manage to have in the City.

Mr. Thomas replied no. We have a policy to plow sidewalks that we call "continuous sidewalks/continuous walking routes". We do have a map or at least logged in...those are what our crews address and they are by priorities too as I mentioned the schools first and then from there on down.

Alderman Vaillancourt stated the voters of Ward 8 thank you, we're getting a sidewalk out on Huse Road, at least some of them thank you. I understand some of them aren't.

Mr. Thomas stated we've had a few problems, but that will be a sidewalk that is going to be plowed on a regular basis because that is a continuation of a school walking route.

Alderman Vaillancourt asked could you tell us how much of the Resurfacing money is going to go to sidewalks as opposed to roads themselves.

M. Thomas replied none of that money goes to sidewalks; that money is 100% for streets and it's to buy materials and other supplies like castings and what not.

Alderman Vaillancourt stated the only resurfacing for sidewalks is in the CIP budget.

Mr. Thomas stated the CIP budget and...Kevin, will review what we have in the CIP budget.

Mr. Sheppard stated this year as far as sidewalks for the School Sidewalk Program we've got \$225,000; Sidewalk Discretionary funds which is work we do along with the CSO work and some major problem areas for sidewalks we've got another \$225,000 and \$75,000 for the 50/50 Sidewalk Curb Program which has been very active over the past couple of years; that is all of the funding we have this year for sidewalks.

Alderman Gatsas stated, Frank, I'm going to see if I can bring you Santa Clause early. The number, Frank, the two numbers that I am kind of concerned with is that you came in looking for (page 31) \$18,686,369. For the three items that you're telling me that you have no concern over or you don't have the control over, not concern, but control...is insurance, Workers' Comp, General Liability (do you have control over that one or you don't)...

Mr. Thomas replied no, I have no control over those.

Alderman Gatsas stated if we take those three and you have no control over...let's take those three and take those out and then if you go down to what you requested in Special or what you were looking for for an auger, you were looking for \$180,000 in Equipment for an auger...how much was the auger out of the \$180,000.

Mr. Thomas replied it was \$80,000.

Alderman Gatsas stated the \$80,000 that you're looking for there that you tell us we can get back in a two-year period and then I go down to, I cross over to the Mayor's side where it says "Special Projects" and he's got in there for one-time cost of \$75,000 for a sidewalk snow blower, I would assume that the snow

blower's that you have that do the City sidewalks now...we don't need an additional one...

Mr. Thomas replied we do. We requested that...the reason being we only have two, three sidewalk snow blowers and their priority locations are the school walking routes and the routes that Alderman Vaillancourt raised. If we're going to spend more time trying to remove the snow faster in the area around the civic center, quite frankly, we need another snow blower and some monies for an operator and that's what was budgeted into that civic center request.

Alderman Gatsas stated I believe that the \$180,000 that you requested was \$75,000 for an auger.

Mr. Thomas replied \$80,000 for an auger.

Alderman Gatsas stated it left you \$100,000...what else were you looking for in equipment there.

Mr. Thomas replied I have the list here if you'd like to see it.

Alderman Gatsas stated I believe you, read it off to me.

Mr. Thomas replied an electric scanner (\$2,000); two larger salters (\$12,300/each for \$24,000); four front-end large plows (@\$4,000 = \$12,000); two small salters for one-ton trucks (\$4,600 = \$9,200); two equipment jacks for the garage (@ \$1,800 apiece = \$3,600); two sewer grinder pumps (\$1,500 each = \$3,000); two salters for our six-wheelers (\$11,300 each = \$22,600); four wing plows (@ \$1,500 each = \$6,000); I mentioned the auger compactor (\$80,000); five dumpsters (@ \$1,500 = \$7,500); one asphalt compactor/whacker (\$2,500); and a small sidewalk asphalt roller (\$17,000) which totals \$180,000.

Alderman Levasseur stated all of that falls under MER.

Mr. Thomas replied none of that stuff falls under MER. MER covers things with plates on it, basically.

Alderman Gatsas stated if we pulled out those items that you can't control off of what you requested which is the three line items which are \$1,449,647...if we pull these out of the amount that you requested leaves you with a budget of \$17,236,722; that is your requested budget.

Mr. Thomas stated without benefits is what you're saying, okay, I follow you.

Alderman Gatsas asked is that something you could live with.

Mr. Thomas replied I certainly could. But, basically, what you are saying is that you are giving me my request.

Alderman Gatsas stated that's what I'm saying.

Mr. Thomas stated yes, certainly I could.

Alderman Levasseur stated you'd be gaining another \$550,000 is the money you had requested.

Mr. Thomas replied that is correct.

Alderman Levasseur asked how do you propose doing that, you gave us some great numbers.

Alderman Gatsas replied we've got to deal with the Health Insurance; that I assumed we had a year to do it in, I would assume that that was done. I know there's a couple million dollars floating around over there that he had as excess.

Alderman Hirschmann stated before we assume let's find out...

Alderman Gatsas stated it should be, I don't see it here anywhere. The numbers are less in his department. Your Honor, do you want to jump in because you're in the hot seat if you want to.

Alderman Cashin stated won't we be discussing non-departmentals later in this budget process. I think that's where you want to bring that up, Alderman. When we start discussing non-departmental that's where you want to bring up your insurance, I believe.

Alderman Gatsas stated I'll bring it up wherever we want. I just said to Frank that we could fully fund his budget, his requested budget.

Alderman Cashin stated Frank has already said that he has very little input into the insurance, we're going to be discussing next Monday insurance and I think that's where you want to bring this up, I think it will probably work out better for you.

Alderman Gatsas stated the only question I asked him, Mr. Chairman, was could he live with \$17.236 million.

Mayor Baines interjected and the answer is, of course.

Alderman Gatsas stated that was my only question.

Alderman Shea commented when I first took over as Alderman Frank came to Hallsville School if you recall, Frank, and explained the condition of some of the equipment that was in dire need of replacement and whatever equipment replacement you need to make, I think obviously you're the department head and whatever we can help you with, I think we should because as my colleague to the left said if you haven't got the equipment you can't do the job and you can put only so many parts together so many times before there's no more parts to put together. So, I think that's important for the Committee to understand.

Alderman Levasseur stated I just wanted to go back to one item that I was maybe worried about. I don't know who's going to answer this question because I know Frank is not in control of this. But, the increase in Workers' Compensation by 76% is that because there are already people that are collecting and is that why that increase is in there or is there another reason for that, the percentage change is 76%...it seems quite drastic compared to the 15% increase on the Health Insurance which I think, Mayor, you said that was not in your control and I think you said it was going to be around 15 to 18%.

Mayor Baines replied 18% overall.

Alderman Levasseur asked why is there then only a 15% increase, do you know why that would have been.

Mr. Tawney replied it is budgeted exactly on what the people were taking at the time when we created the file which was in December and that's the reason it came out with that...then we went back in when we got the numbers and decided to enter the numbers for the increased costs and put those in for those amounts.

Alderman Levasseur in reference to the 76% increase stated I know we talked about this past year, is there any way you could get these settled before we came to this number.

Mr. Tawney replied that is Harry Ntapalis and Workers' Comp, I know that there are two long-term cases there that the individuals don't want to settle.

Alderman Levasseur stated you are in charge of that number, Howard.

Mayor Baines replied no Harry.

Alderman Levasseur stated so Harry Ntapalis is responsible for that number there and why that would have jumped so much and why you don't have any control over these numbers, is it. Okay, right. I think that's a dramatic increase and I think we have to keep an eye on. Thank you.

Alderman Vaillancourt stated this line 0045 Contracts is up about \$350,000 but \$350,000 less than you wanted. Do you have a breakdown of that individual line where each individual contracted service is actually printed out and maybe we could have that to look at.

Mr. Thomas replied yes, I do have it and you're welcome to take a look at it and I can furnish it at a later date.

Alderman Vaillancourt asked could you just give us an idea of a sampling of what that is.

Mr. Thomas replied sure...Recycling is going up \$13,700; Yard Waste is going up \$15,422; Transfer and Disposal Costs are going up \$87,470; Drop-off costs, the operating of the Drop-off facility is going up \$174,425. We have to screen street sweepings we can't just dump them anymore, so we have \$15,000 in for that...Recycling Promotion (\$10,000) - we're trying to increase the recycling

promotion and that adds up under the Solid Waste side to the number that I had identified earlier and then on top of that as mentioned Crack Sealing is going up \$10,000; Guard Rail Replacement is budgeted for \$10,000; and Pavement Management, I think the number came out to \$12,000.

Alderman Vaillancourt stated these are all contracts with outside companies.

Mr. Thomas stated that is correct. The top four with Waste Management and the Highway ones will be with different vendors.

Alderman Vaillancourt inquired as to what about engineering.

Mr. Thomas replied there is no engineering in here.

Alderman Vaillancourt stated there is no engineering in that \$4.2 million.

Mr. Thomas replied no, none whatsoever.

Alderman Wihby stated two questions, Frank. The Mayor cut your Contract items, what's coming out of there or are you going to go back and allocate some funds there.

Mr. Thomas replied when we made our proposal to the Mayor we proposed to go to a weekly recycling program. The net increased cost was \$343,000; that was in our original request and got cut out.

Alderman Wihby stated it wasn't really a contract but rather something you wanted to enter into, it wasn't a contract that you had to cut. I see contract and I say, okay, we have to allocate that money.

Mr. Thomas stated it was an improvement to the contract services, so it would fall under that line item and the decision was made not to go with weekly recycling.

Alderman Wihby stated at Gill Stadium you have that crack sealer all over the place like every two inches; that there crack sealing for all the tar around there or whatever you use.

Mr. Thomas stated we normally put it out on the street, what do you mean Gill Stadium.

Alderman Wihby stated when you go by Gill Stadium, all around Gill Stadium it looks like it's a puzzle.

Mr. Thomas stated we haven't done any crack sealing this year.

Alderman Wihby stated I think it's been there for a while.

Mr. Thomas stated it could have...five, six years ago we were doing crack sealing.

Alderman Wihby stated you drive by all this crack sealing that's black like when you do your own driveway and you put sealant on it every two years or so...if you did that there would that look better or you wouldn't do that over there or what.

Mr. Thomas replied normally what we try to do is try to resurface the street, an asphalt area after we crack seal it, however, some streets because you can get quite a bit of volume or length with a reasonably small crack sealing contract, so when we were doing it there were streets that were crack sealed, we seal up those cracks, keep the water out so they don't fall apart and quite frankly if we didn't get to it to resurface over it that year other priorities come up and so you'll see some streets that show the crack seals on it and we never got around to resurfacing it because they're in better shape than a lot of other streets.

Alderman Wihby asked is resurfacing the same...like when we do our driveways...that's sealer.

Mr. Thomas stated crack sealing is actually a contractor comes in and he blows out the cracks in the City streets and fills it in with a rubberized compound and you'll see a line that may be three inches wide.

Alderman Wihby stated instead of resurfacing around that later, if you just sealed it like we would our driveway would that...

Mr. Thomas replied no, it would not hold up to a high volume of traffic. Quite frankly, the sealer in your driveway makes it look pretty, it's not structural. It's basically to seal some of the...what happens is the asphalt compound in asphalt pavement with sun and air evaporates out and over time you'll see your driveway or your asphalt getting more gritty and what the sealer does is add some of that liquid asphalt back in there to make it look smooth.

Alderman Wihby stated so like something at Gill Stadium where every foot is crack sealer...you go by there and every foot has this black three inch crack sealer all over the place. Do you know a way to fix that or the right way of doing that would be to resurface...

Mr. Thomas asked is that on the street area.

Alderman Wihby replied as you're driving down the street it's on the street and everything else, all that tar that's there. The only way to fix that would be to resurface the whole thing.

Mr. Thomas replied yes, that is correct. I'm not sure who did the crack sealing on the sidewalks.

Alderman Lopez replied Parks did that a few years ago.

Alderman Wihby stated it just looks like a puzzle and I'm just saying if we can just darken it up, I don't think it needs resurfacing, but maybe it does.

Alderman Lopez stated I agree with Alderman Wihby. I know when I was a Commissioner at Parks we took care of a lot of that, Frank. But, it is really bad maybe you could work with Ron and see what kind of a cost factor's involved.

Mr. Thomas stated sure, we could take a look at it. The ideal solution would be to put a thinner asphalt overlay on that street...it will give it some structural stability and increase the life of that sidewalk.

Alderman Levasseur stated let's talk about our other favorite 4-letter word here - Aggregation. Mayor, questioning where we went along and how we're going along with this have we committed ourselves to this money or is this something that is just now put into this budget and we could take that out.

Mayor Baines replied that's right; that is a Board decision in terms of how we are going to be able to follow the recommendations or the input that you receive both from Frank and...

Alderman Levasseur stated I don't want to wait to talk about it at a future date, if we can do it now because...Frank, what is your recommendation. I know we've been battling with this for a long time, there are certain Aldermen here...there's a lot of us who could use that money and that would probably save a lot of your problems right here. What do you think about going forward with this...

Mr. Thomas replied first of all maybe I should suggest that this be a separate night of conversation. Second thing that is really enterprise fund money. It's kind of being loaned to the program right now with the expectations of being paid back. So, it's not like general fund money that you could use to reallocate say into my budget or into somebody else. The second thing that is important to keep in mind is that there's a lot going on with deregulation, Amoskeag Dam and those issues. I think you want to take a look at all sides of the coin before you make a final decision. Do you want to keep some of your options open and then the third part of that is if you eliminate the program, just wash your hands of it somewhere along the line you're going to have to address the debt issue. So, it kind of behooves you, in a way, to try to make the program work to cover that debt that's been incurred to date. So, that is why I say that's a complicated issue and it deserves some discussion and again what it's going to come down to is you're going to have to weigh the options.

Alderman Levasseur stated it's one of those numbers that's stuck in your budget and it looks like it's part of your increase when it's really just a number that just kind of gets stuck there which supposedly is supposed to get paid back by revenues at a later date.

Mr. Thomas stated that number looks like a big number, but again, if you take a look at this year...

Alderman Levasseur stated it's not a big number compared to the other numbers we've had though.

Mr. Thomas stated right now with the Board's directive the only thing that is being paid for out of the appropriation for Aggregation are two salaries and some miscellaneous operating costs to finish up some of the power contracts and what not, but if you move forward and if the Aggregation Program didn't expand, even though it's budgeted for that high number the actual number at the end of the year, if it didn't expand would be very small.

Alderman Levasseur stated we'll get to it at a later date, I would imagine, Mayor.

Mayor Baines stated I agree with Frank that that should be a separate item.

Alderman Vaillancourt stated before it got by me, I think I heard you say your budget under Contract Services included going to weekly recycling and that was eliminated in the Mayor's budget. I've had several constituents that are interested in that, so it's something government can provide as a service. If we were to go to weekly recycling how much would that cost, how much would we have to add back into the budget to provide that service.

Mayor Baines replied over \$300,000.

Mr. Thomas stated the net operating costs the first year to go to weekly recycling we're estimating at \$343,000. The price that we got from the contractor is \$468,125, however, with an expanded recycling program we expect the savings on solid waste transfer and disposal costs...the first year we thought it would be \$125,000 and that's how you get down to the net increase of \$343,000. Hopefully, with a weekly recycling program in an effort (with promotion) that net increase cost will continue to come down as participation increases. One of the problems that we're faced with is because of the two-week period people get discouraged because they're trying to store too much material in their house, their buckets get filled and then they start dumping it out and that is something that has been identified to us and when we make our request to the Mayor we feel that that is something that should be at least considered.

Alderman Vaillancourt stated that number is almost exactly the difference between the Mayor's budget (under that category) and your request. So, is that correct the \$343,000, it appears to be the difference between \$4.455 million and \$4.21 million.

Mr. Thomas stated yes, but you've got to keep in mind the Mayor also added \$72,000 in civic center costs that weren't in our requested budget.

Mayor Baines stated that was a very important point to make. In the requested budget he did not have the civic center costs that we added as we started to deal with the civic center issues over the last several weeks going into the final phase of the budget process.

Alderman Thibault stated, Frank, I agree that Aggregation probably should not have come up as Alderman Levasseur just brought up, but I would like to caution the Board and I want them to understand that if ever we pull out of the program as I understand it we lose everything we've put into it.

Mr. Thomas stated that is why I said it is a very complicated issue dealing with a complicated issue. This whole deregulation...I've gotten a lot of gray hairs over it and it's very difficult to see what's going to happen down the road. It all looks good that something is going to happen on May 1st, but I'll believe it when I see it and then what are our options moving forward, how can we meet the intent of the

Aggregation Program and bringing it down to the level of residents and the small commercial and then on top of that we have the issue of the Amoskeag Dam that puts a whole different level on it, so it is a very, very complicated issue and you're right if you just throw your hands up and eliminate the program there's debt.

Alderman Gatsas stated the legislation that we passed two weeks by both the House and the Senate took the energy process and extended for 33 months PSNH holding their power plants which requires them to sell energy not only to the residential customer, but also the large commercial and industrial customer because in nine months they were going to be pushed out to the open market; that rate is 4.4 cents. The impact to the City, if we didn't do that and in nine months you would have been out to the open market which is .08 cents per kilowatt, it's about a 40% increase. So, the bill that you're looking in here for streetlights of about \$1.2 million would have gone to \$480,000. So, I believe, the only process that is left in that legislation is for the Governor to sign it. The Senate passed it. It was fast-tracked to the House. They passed it and then it went to the Governor's desk so May 1 the bonds have been sold and gone, the rate reduction should take effect on May 1 so the Aggregation Program for all intents and purposes is at a stand still for 33 months.

Mr. Thomas replied and I think that is an issue that has to be looked at, but again what you have just stated is something...there have been a lot of changes right up to the very end. Again, I think it needs to be discussed in detail and all of the benefits and all of the negatives weighed before a final decision is made.

Alderman Shea asked, Frank, do your revenues and the Mayor's revenues tend to offset one another in terms of you underestimated the revenues and I think he gave your department a little more credit for revenues. Can you review that?

Mr. Thomas answered we try to be realistic in the revenue number that we submit. I don't inflate my revenues to try to benefit the process or what not because I feel obligated to deliver on what I state in my budget submission.

Alderman Shea asked is there a difference of about \$285,000.

Mr. Thomas answered I think the difference is...over and above what we originally presented was the way school chargebacks were addressed. In our submission, we did not identify school chargebacks from the Highway department. Last year's school chargebacks basically came off or were identified on our operating budget submission and not as a revenue and this year it got passed on as a revenue.

Alderman Shea asked do they know...did you sit down with them like Parks & Recreation did and discuss it before hand. I assume you sat down and said we anticipate that there will be a chargeback to your District?

Mr. Thomas answered on the Highway side, which includes refuse services, street sweeping services and those type of issues for the School Department or School District, we sit down and go over it with them so they have the chargebacks identified in advance. The big item is the Building Maintenance Division. We have already had numerous meetings with Ron Chapman and we have also presented the information to the School Board.

Alderman Shea stated this evening we are going to go into the Building Maintenance Division separately. Is that correct?

Mr. Thomas replied as soon as you are finished with me, we are going to start on that one. That is the one I am going to hit you up for a lot of money on.

Alderman Levasseur stated I am looking at your revenues. You have a projection of a 17% increase, which I think is probably a reasonable estimate. Have you looked at any kind of fee increases and have you thought about it?

Mr. Thomas answered yes. We have put together a new fee schedule for the drop-off area. That has been approved by our Highway Commission and I believe we have notified the Board of that increase. It is going into effect July 1. It is going into effect because we haven't increased the fees at the drop-off area since we opened it up and we have found that there is a lot of demolition material that is coming into the drop-off area that is costing us more to get rid of than quite frankly...

Alderman Levasseur interjected right now you charge 5 cents.

Mr. Thomas replied yes.

Alderman Levasseur asked what are you going to.

Mr. Thomas answered 7.5 cents.

Alderman Levasseur stated I was talking to Alderman O'Neil saying maybe we should go up to 7.5 cents and we were debating whether we were going to go up, but you have already thought about that so is there going to be a problem with that as far as the demand.

Mr. Thomas replied no. First of all, a lot of the people that use the drop-off area quite frankly are commercial people who are doing small renovation projects, small landscapers, etc. Obviously, residents are going to get impacted to but what we try to do is tell the people that it doesn't cost us anymore if you put that extra yard waste out at the curb. Small amounts of demolition material we will pick up,

but again we think it is reasonable. We haven't had a rate increase up there for five years.

Alderman Levasseur responded I agree with you on that. What about the issue with Waste Management? Is it prudent to go back and take those revenues back or is it better to stay where we are at with them now? I know there is a lot of revenue there. I mean it is a big number that we are talking about. It is an expense.

Mr. Thomas replied it is a large expense. Unfortunately, I don't think there is anything that we can take back. What we are contracted with for Waste Management is transportation and disposal of solid waste. We don't have a landfill anymore. Yard waste collection. In order for us to go back into the business, we don't have an area where we can do composting. We don't have the staffing. That all got cut back.

Alderman Levasseur stated I am glad we are talking about this because when I drive to Pinard Waste to get myself a 30 yard dumpster, I have to pay for that to be dropped off. Now, who is collecting the revenue for that? We are, the City. That is not anything to do with Waste Management. Am I right about that? That is what you are talking about for demolition and commercial work right?

Mr. Thomas replied that is correct. That doesn't cost the City anything. If you hire a dumpster and load it up with demolition stuff you are paying the taxes.

Alderman Levasseur stated I think where I am getting things mixed up is what Waste Management is responsible for picking up because I am having...they are not getting the revenue from that. The City is getting the revenue from that. I am surprised that it is as low as this number.

Mr. Thomas replied we get the revenue from the operation of the drop-off area but we have to pay Waste Management to haul the material away out of the drop-off area and to dispose of it.

Alderman Levasseur responded okay then that is why this number is what it is. I would expect that it would be a heck of a lot higher than that for the amount of trash or whatever drop-off must be generated out of that place.

Mr. Thomas stated well \$550,000 is quite a bit of revenue.

Alderman Levasseur asked what is their take.

Mr. Thomas answered I don't have the budget with me for that but it is a positive cash flow that we are into.

Alderman Thibault stated I understand the fact, Frank, that you want to raise the cost to the drop-off center, but in my area and I am not sure about the other Aldermen because I have never talked to them about this, but in my area where I have some out of the way places what happens with that is that these small contractors end up dumping stuff next to the railroad and I end up having to call and ask you people or someone else to pick it up because it gets to be quite a mess. I am worried about the fact that they raised those prices because I end up with more garbage in the west end of my ward. I have talked to you about this before. Here is what I am saying. Here is what I would like to see happen if possible. Why is it that we cannot connect the Building Department when these people apply for permits to make sure that the refuse goes to the right place? That way you people would not have to pick it up all over my ward and I am sure other wards in this City have that same problem.

Mr. Thomas stated I think a lot of that illegal dumping that you are talking about is somebody doing a little weekend project that they probably don't even have a permit for. Again, I think what we are trying to do is set the fee up at the drop-off area not to make money but to cover our costs. Now as I mentioned the fees have not gone up for five years up there. The volume continues to go up and without increasing the fees to cover our operating costs we are going to be running at a deficit and obviously we don't want to do that if possible.

Alderman Thibault replied I understand your theory and I believe in it 100%. I am just wondering if there is not a mechanism that we should try to follow at least for the people who do apply for a permit. Could it be the Building Department who tracks that or someone else like maybe the Housing Code Department as to where the refuse of the revamp in whatever house goes to the right place? That is all I am saying. Somebody should look at that I think.

Alderman Hirschmann stated, Frank, I want to commend you on the drop-off center. It has been a five year experiment up there and I was very leery as a new Alderman five years ago that this wasn't going to work out and it is working out very well. The area looks very presentable. It is picked up good and it seems to be operating well and I want us to make sure that we are not in an inverted position so if you have to increase fees you should notify the Board and I think you already did that.

Mr. Thomas replied I think we did already.

Alderman Hirschmann stated one thing I was going to ask is to provide better service to the City the constituents continually ask for that every other Saturday if you could go to every Saturday...

Mr. Thomas interjected on yard waste or recycling.

Alderman Hirschmann stated the drop-off area because the second Saturday that it is not open, people drive up and down the road with many carloads of stuff. Does that impact your manpower negatively?

Mr. Thomas replied well it is going to be an increased cost because that is Saturday overtime work that I would have to pay. I can identify that additional cost for the Board if you so desire.

Alderman Hirschmann asked if you could do that for the summer months that would be great.

Mr. Thomas answered I would be glad to furnish that number to you.

Alderman O'Neil stated with the point that Alderman Thibault brought up and I know Frank and his department are looking at garbage and getting better enforcement and raising the fines and I know that Alderman Levasseur sent out some correspondence but I believe illegal dumping happens all over the City. We have to rely on more than just the Highway Department enforcing it. Police officers need to enforce this stuff when they see it happen. I am not sure that happens. I saw a guy last week on Hanover Street where Derryfield Park comes out by East Side Shopping Center and I yelled out the window to him. He took all of the stuff from his property – dirt and debris and all of that and dumped it on the Parks & Recreation land. You watch these landscapers and they blow everything they cut. They don't pick it up. They blow it all out in the street so that it is our responsibility. I think all of that with regards to garbage and illegal dumping and all of that needs to be strengthened and we need to get tough on it. I don't think it is solely a Highway Department responsibility. I am trying to think about what we talked about the other night in Administration trying to get five or six departments to work together. We need all departments to get involved with enforcing this.

Alderman Gatsas stated I guess it must just be the way the budget is done here but the revenues are negative. I don't know why but they are in brackets.

Mr. Thomas asked do you mean the changes in revenue.

Alderman Gatsas answered no. If you look, they are all in brackets all the way down so I will just assume that it is just a mistake the way it is being presented. If I take the March 31 number and the total amount is \$2.225 million and I divide that by nine months and annualize it out, I come out to \$2,967,754, which shows me that you should have additional revenue of somewhere around \$238,000.

Mr. Thomas replied I think we are going to have additional revenue this year. That is correct and one of the areas is in the solid waste drop-off because of the increased usage up there. That was one of the reasons why we have proposed increases in that line item in addition to the raising of the fees.

Alderman Gatsas stated right but what I am saying is if I look at this number and I am just trying to again get you to the number on your budget so if we can get you there because of revenues that is a good sign. So if I take the \$2.766 that you had for recognized revenues in FY2000, the difference to \$238,000 is somewhere around 9%. If I take the number that you are telling me should be an increase...if I annualize your number and took it to \$2,967,754 and took a 7% increase that would be an additional revenue of \$207,000.

Mr. Thomas replied the numbers sound right.

Alderman Gatsas stated but that is over what his requested...

Mr. Thomas interjected yes.

Alderman Gatsas stated well the Mayor gave you \$481,000 and I am just saying that I don't know where that number came from.

Mr. Thomas replied that is the school chargeback number.

Alderman Gatsas stated so that is another \$284,000 so if I add that in...you don't have the school chargeback number in yours right.

Mr. Thomas replied not in my requested revenues. That is correct.

Alderman Gatsas stated so I am saying that taking your number of \$2.926 million, the number should actually be \$3,175,496 and if add another \$284,000, that is for the school chargeback portion. So, I just got you your auger and a few other things that you were looking for.

Mr. Thomas replied let us take your suggestion and crunch the numbers through and we will submit that back to the Board.

Alderman Gatsas stated with the additional revenue that you are seeing from this year, you are filling the hole in your budget currently this year. Is that correct or not true because you aren't getting any additional funds from anywhere?

Mr. Thomas replied but the revenues don't go into my budget. They go into the general fund. I don't get any benefit from them.

Alderman Gatsas responded that is right, you don't see them. So the general fund has another \$207,000 or \$238,000 that we didn't expect?

Mr. Thomas replied that is correct.

Alderman Levasseur stated you never answered my question, Frank. How do we compare to the other drop-offs around the state?

Mr. Thomas replied we are competitive even at the higher rate. We checked with Concord and Nashua.

Alderman Levasseur stated if you did a cost analysis of the Saturday only and then you saw how much revenue you brought in on that Saturday and you could tell us how much it would be to open up every Saturday that would be great.

Mr. Thomas replied sure.

Building Maintenance Division:

Mr. Thomas stated following the same format that I used for the Highway Division, I would like to just make a brief presentation on the Building Maintenance budget for next year. The Building Maintenance Division provides for the maintenance, environmental compliance and capital improvements for 26 school buildings, 25 portable classrooms and 24 municipal buildings for a total gross square footage that is maintained of 2,330,000. The Division also provides limited simple purchasing and fleet management functions. In keeping with the same format that I used with the Highway Division, I would like to go through a few line items and hopefully answer some of the questions that you may have. The complement with the Mayor's budget remains the same at 14 employees. This line item is increased as noted up there by approximately \$38,000 to cover negotiated salary increases. Our request to the Mayor included five new positions. Those five new positions had a cost to the budget of \$149,994. That request was not included in the budget. I will talk about those positions a little bit later. Outside contract work, 0445, is increasing by \$30,000. If you have a demand for corrective work and you don't have enough staff to go around then you have to utilize outside contract services. We have requested \$30,000 more than last year, which would bring up that line item to \$280,000. Presently the actual cost is over that \$260,000 revised figure as noted up there. Contract manpower, line item 0591, that is basically our ServiceMaster contract for custodial services. We have proposed and the Mayor has agreed to it and this proposal has also been presented to the School Building & Sites Committee and they have approved it too...the contract requires an annual CPI adjustment to a maximum of 3%. That has been budgeted at approximately \$95,000. With the proposed increase in scope of services, we feel that combined with additional security measures in the school reduces the amount that we have to budget for emergency call backs so that shows as a negative up there. One of the large increases is to provide for 11 additional custodians in the schools. First of all, ServiceMaster is meeting its minimum contract requirements. I know that there has been a lot of talk here and there that the schools are getting dirty again and the floors are dirty and whatnot, however, in our managing the contract they are meeting the minimum in the contract.

However, we are on one side violating the contract. We have added more classrooms. We built classrooms where there were halls and obviously you have to spend more time cleaning those and with a lot of winter events with wet streets and sand and salt out there more stuff gets tracked into the hallways. When that happens, the principals want to see more attention paid to the halls so that takes time away from other areas. In order to address what we felt was a shortfall in the contract, we are proposing to add 11 custodians or 11 FTE's. In the high schools we are proposing to add five. That is broken down in this manner – initially there will be three assigned to Central High School, at least until the addition to McDonough is completed and then one will shift into McDonough. One will be added at West High. A half one will be added to Memorial and the School of Technology and we are going to add three FTE's in the elementary grades to address some of the issues in those schools.

Alderman Shea asked do you mean the addition added on to McLaughlin rather than McDonough.

Mr. Thomas answered yes. In addition, we have included in that 11 a half FTE for portables that are going to be added this year and we have added two and a half for French Hall under the assumption that the School Administration is going to move up there. Now if the School Administration does not move up to French Hall, those two and a half additional FTE custodians will be allocated where we see fit to raise the level of cleanliness. Again, this is not trying to bail out ServiceMaster. When we put out the bid, we defined certain cleaning requirements and one of the areas that quite frankly I...if I had to do over again we would have changed. Right now, the contract says you only have to wet mop the floors once a week, etc. I wasn't an expert in mopping I guess. Of course when we have bad weather and the floors get dirty, you really have to wet mop so that is what some of these improvements are and hopefully it is going to eliminate the concerns that I have been hearing from principals, parents and students. We are elevating the base level of the contract by doing this. In addition, we are proposing to institute what we are calling a floor enhancement mobile team. Basically what that is is a two man team that is going to have those large floor burnishers and polishers and are going to have the capability of moving through all of the schools. One of the things we found out is that people define cleanliness if they can see their face shining in the floor and there is nothing wrong with that. What this mobile team will do is be circulated over a two week period and hit every school on a two week basis to bring those floors back to the shine. Even with the wax there with the grip and the wet mopping, it gets dull so we have proposed that and that is in the budget. In addition, there were two additional proposals that were made by ServiceMaster that we passed on. One was to enhance the existing maintenance around the schools by adding another grounds person with some equipment and what was presented to the School Board was a proposal to do a pilot landscaping plan at the entrance to three schools to try to improve the appearance. It is a step

up from just maintenance. This is adding some shrubbery and some better bark mulch and trying to improve the appearance. That is in the budget.

Alderman Wihby asked is Parks & Recreation going to be doing that.

Mr. Thomas answered no. The way the contract and I guess it has always been done this way and maybe Barbara can elaborate on this but the custodians were always responsible for a certain area around the school. Actually I believe it is defined in the contract within 50' of the facility and then beyond that Parks & Recreation is responsible.

Alderman Wihby asked so three schools for \$92,000 we can't use Parks & Recreation. We have the people already. All you are paying for is the product that they are going to need like shrubs or whatever.

Mr. Thomas answered I can't speak for the Parks Department but I would think that they would come back and tell you that they will try to do their best but they are stretched to the limit and even if we give them the money to do the pilot landscaping, they don't have the time to do it.

Ms. Connor stated there is one exception to that and that is Northwest Elementary, which was one of the schools we proposed. We just found out that Parks & Recreation has gone back and gotten CIP funds to redo the entrance to Northwest Elementary.

Alderman Wihby replied the same thing with Webster School, too.

Ms. Connor responded the other building is West High and Bakersville.

Alderman Wihby stated the funding that they got for Northwest was also Webster and they are doing Phase II so they are there anyway.

Mayor Baines replied Webster was not one of the schools in the project and Northwest was. That is what she is saying.

Alderman Wihby asked one of these three you mean.

Mayor Baines answered exactly. It was Northwest, West and Bakersville.

Alderman Gatsas stated I am looking at this chart. In 1988 the full time employees were 17. Is that...

Mr. Thomas interjected actually we are just focusing on people who are out doing the actual maintenance. In 1988 there were 17 that were out like HVAC and structural technicians and then there was administrative staff on there of approximately 3 people. What we are trying to show here is that there were 17 people that were out actually doing the work in 1988 and that dropped to a low in FY95 of 5. When the Highway Department took over Building Maintenance, through reshuffling some people around, we were able to increase that to 9 people who are doing outside work while keeping the complement the same.

Alderman Gatsas asked but that didn't include janitors.

Mr. Thomas answered no. Back in 1988...Barbara do you have those numbers?

Ms. Connor stated in 1988 in the custodial division there were 100.9 positions.

Alderman Gatsas asked what were the gross wages back then or do you have something that is more current than 1988. When did we go into the ServiceMaster agreement?

Mr. Thomas answered the ServiceMaster contract as it stands right now calls for 92 I think.

Ms. Connor answered right now it is 91.1 custodians under the ServiceMaster contract and then there are the management people on top of that.

Alderman Gatsas asked what was the total...when did they take over the process, in 1995.

Mr. Thomas answered no. July of this year will complete their second year of service to Manchester. Prior to that, there was another custodial contractor that was on board for three years.

Alderman Gatsas asked so five years ago do you have a number of how many employees we had as janitors and what their gross wages were five years ago.

Ms. Connor answered I don't have their gross wages. I can tell you that there were 100.9 FTE custodial positions and of that there was the custodial supervisor, a storekeeper, a payroll clerk and three supervisors. The rest were actual custodians.

Alderman Gatsas stated I am looking at the manpower contract and taking...on page 21, 0591, if I take the March 31 expense number, which is \$3,105,225 and divide that by 9 and multiply it times 12 for an annualized number it looks like you are going to be over budget by about \$1 million.

Ms. Connor replied actually what I do is I encumber the whole contract for the year, which is a set amount and then we draw down from it.

Alderman Gatsas asked so this is the whole contract and what have you used year-to-date or is this the contract number and it doesn't change if we need to add people to do different things.

Mr. Thomas answered by contract we can't add people to it without amending the contract so it is a set number of people at a set amount and we pay out 1/12 a month.

Alderman Gatsas stated let me go back again. 91.1 employees does not include management that is currently there? How many management positions are there?

Mr. Thomas replied that number also includes people who do preventive maintenance, there are two people there. There is the supervisor and four zone supervisors.

Ms. Connor stated there are three zone managers, the general manager and they have two warehouse people, two grounds people and a clerical person.

Alderman Gatsas asked would you say 100 total. How about we say 103 and then I will make sure that we have enough cushion?

Mr. Thomas answered okay.

Alderman Gatsas stated so basically including benefits and the like, it is about \$31,000 per year per employee.

Mr. Thomas replied that sounds correct.

Alderman Gatsas asked does that include supplies.

Mr. Thomas answered supplies are in there and equipment is in there.

Ms. Connor stated their overhead and liability is also in there. Everything is in that price. It is 101.7 people.

Alderman Gatsas asked so the equipment is in there...if you can get for us for the next meeting or if you can get for us I would like to know what the combined total wages and benefits were five years ago for the total number of custodians that we eliminated. I would assume that in that number we must have an add-on for supplies.

Alderman Wihby stated it would be in Building Maintenance's budget.

Alderman Levasseur stated when Alderman Gatsas asked for that request I am assuming that...

Alderman Gatsas interjected are we supposed to ask for that from Wayne or can we do it as they come in.

Mayor Baines stated I think on something like this as long as we make the request now and then all of the Board gets the information that is fine.

Alderman Levasseur stated I am wondering...you are asking for when we had 109 and I don't really care about the administration. I would like to know what the 100 custodians cost us at the time. I am looking at your requested number of \$3.752 million and I think the Mayor funded it. At \$3.752 million and 100 full-time employees, you are talking about a \$37,500 salary per year and I don't think that includes any benefits. I am just using that number because that is the ServiceMaster contract number.

Mr. Thomas replied but that includes benefits, supplies, equipment, overhead, and everything.

Alderman Levasseur stated but we are not responsible for paying the benefits of the ServiceMaster contract. What they pay their employees is not something that we...

Mayor Baines interjected it is part of their budget. It is part of the cost.

Alderman Levasseur stated but they are not City employees, correct.

Mayor Baines replied correct.

Alderman Levasseur stated what I am talking about is that we contract with them and right now it is a \$3.2 million contract. What they pay their employees for salary and benefits is not relevant to us. We just give them a bottom line number, correct? Do we know how many full-time employees they are using under that number?

Mr. Thomas replied yes. We can get you all of that information.

Alderman Levasseur stated so we could do this ourselves, have our own employees, have our own people taking care of the schools with a much higher...you know where I am going with this.

Mayor Baines replied as you know I support that notion and at the end of this contract we are going to be working with them to see how we can bring this about at the end of this contract. We have one more year on this contract.

Alderman Levasseur asked so we have one more year on this contract but we could do this almost...we would have our own people in there for pretty much the same price.

Mayor Baines answered we don't know that. We are going to look at that.

Mr. Thomas stated again we can get you all of that information.

Alderman Levasseur asked but we can't do anything about it now because we are still locked into the contract but we can when talking about the additional \$500,000 for more...now are you actually giving them another one year contract. You said okay we want to add this in?

Mr. Thomas answered we presently have a three year contract with them. We have one more year to go starting in July. What we are proposing to do is enhance the level of service in this last year of the contract based on that \$570,000.

Alderman Levasseur asked how much of this money is going to be chargeback. That is the question. The additional \$500,000 that you have added in, is that chargeback?

Mayor Baines answered during my budget presentation I made it clear that the caveat I put this proposal forward to was the School District needs to sign this contract that locks in that number to provide for the cleanliness and the maintenance issues of the schools and that needs to be a requirement here otherwise we have concerns about this money being in their budget and being used for other things.

Alderman Levasseur replied just to make sure that I understand what you are saying, if they don't agree to the \$500,000 being a chargeback they are not going to get it.

Mayor Baines responded it is my understanding that they have to sign the contract. Am I correct on that, Frank?

Mr. Thomas stated the City Solicitor has advised that because it is an amendment and they are a district now...when the original contract was signed they were a department so it could be signed by the Mayor but now the amendment should be signed by the School District.

Alderman Levasseur asked so when you have that signed or you have the agreement you are saying, Mayor, that the \$500,000 would be in addition to what you already proposed in their budget.

Mayor Baines answered no. I proposed this in my budget.

Alderman Levasseur stated but you proposed it on the City side. You didn't propose it on the School side.

Mayor Baines replied it is on the School side. It is part of their chargeback cost.

Alderman Levasseur stated I was confused. I thought you had not had an agreement to that yet so that \$114 million that you had did include that \$500,000?

Mayor Baines replied yes.

Alderman Pariseau asked, Frank, on the handout you stated that you are going to maintain the same complement of 14 full-time employees. Why did it go from 9 in 2000, we don't have a number for 2001, we jump to 2002 and go to 14?

Mr. Thomas answered what this chart shows and we kind of got ahead of ourselves a little bit but what I was trying to show was the number of people that were available to do corrective maintenance work on the facilities. Not custodial work and not supervisory work. Again, going back to 1988 there were 17 basically technicians doing corrective work and it dropped to 5 and it is presently at 9. When we took over, we upped it to 9 and it is still at 9. What we had talked about doing...we had made a request in this budget submission for 5 additional employees to work in the schools and that raised it from the 9 to the 14.

Mayor Baines stated which I didn't approve.

Mr. Thomas replied right and that is the point we were trying to make here.

Alderman Pariseau asked so the numbers you had there before isn't bringing the complement to 19.

Mr. Thomas answered correct.

Mayor Baines stated he is trying to show you that he requested 5 additional people in this department to do some of the technical things and I did not fund that.

Alderman Pariseau replied but what is misleading is that they state they are maintaining the same complement but they are not. The complement was 9 and now you want it to go to 14.

Mayor Baines responded but I didn't approve it.

Mr. Thomas stated that is correct. Right now we have 9 technicians.

Alderman Pariseau stated okay. It is just the way you have it worded here I thought you were going to go to 19.

Alderman Cashin stated along the same lines, these pages aren't number but you have here a painter and if he comes under Building Maintenance you are going to pay him \$17.80 where under the current contract you are paying \$31.25. Is that right?

Mr. Thomas replied no. That is on the last page of the presentation and what we were trying to show here...the whole point is that I was trying to make a pitch for you to consider funding five additional positions in the Building Maintenance Department. This was the last page of the presentation and what we were trying to show here is a painter, if you fund it in our operating budget with benefits would cost the City \$17.80 an hour. If we had to get that painter from the private sector, we would be looking at \$31.25. We are not doing that now because we are not doing any painting. However, if we need a plumber because our plumber is busy doing 10 other things, instead of paying our plumber \$20.85 an hour we are paying an outside vendor \$37.50 an hour on average. If I could back up to that slide again with the graph on it to try to clarify that, what I was showing there is that in this year's budget, FY00 to FY01, we have 9 technicians that do the hands-on maintenance work. We have five supervisors and clerical people. What we had proposed to the Mayor was to increase it by five. If we can go to the next slide, I will go through the five that we were proposing to increase. We were proposing to add two painters. At one time we had two painters in Building Maintenance. They got laid off in 1989. For \$74,000 and that number includes benefits, we could bring two painters back. We also proposed to increase the Building Maintenance Technician to one additional position, add another plumber and add another HVAC technician because there is more HVAC work. What we were saying is that by adding these five people there would have been an additional cost to the City of \$204,000 out of which we figure as a rule of thumb 85% of those type of services are direct chargebacks to the schools. These five positions have been proposed to the School Board and the Building & Sites Committee and they have supported the request. What I was trying to show is that square footage has gone up year after year after year and we are starting to see a small increase in the amount of maintenance staff but we firmly believe that there should be additional staffing on an in-house basis to do some of the...again plumbing, painting and whatnot either not getting done or we are going to have to pay the private sector for. That was the whole basis of this slide.

Alderman Pinard asked do you feel that the expanded ServiceMaster services are as important as getting some of these new positions.

Mr. Thomas answered quite frankly some of the ServiceMaster services that are proposed in that slide I don't feel are that critical. To me a pilot landscaping program at three schools is a nicety. If someone was going to spend \$92,000 or \$93,000, I would say hey take that money and if that is going to be a yearly program that you are going to do at the schools take that and put it to a couple of painters. I think you will get a lot more for your money. Same with the extra full-time groundskeeper. They are already contracted to do that certain work. Take that money and put it toward some full-time people. I think the other things on that enhancement list are a benefit because you are going to see some direct improvement in the cleanliness of the schools, but if you are looking at long-term benefits, what does that add up to \$136,000? Take that and put it towards whatever you could fund with the new positions, which we requested, which are the two painters and the building maintenance technician. We firmly believe that at least in this area of maintenance you get a bigger bang for your buck by doing it in-house than having to rely on the contract services and I think contract services will eventually go down with that in-house staff.

Alderman O'Neil asked, Frank, are those prioritized that if we came up with \$74,000 the priority would be to hire the painters.

Mr. Thomas answered yes. We have gone over this list and obviously we would like to see all five, but we firmly believe that we need to do some painting in these schools. The Mayor was very good last year. We did get some money in SCIP and do a lot but it would be nice to have two full-time painters.

Alderman O'Neil asked but those are prioritized with the painters the highest and the HVAC technician the lowest.

Mr. Thomas answered that is correct.

Alderman Clancy asked with these five new positions, can you give us a breakdown of what they are. How many painters will we have now? How many HVAC technicians and how many plumbers?

Mayor Baines replied well they don't have any painters right now.

Ms. Connor stated we have two building maintenance technicians, one plumber and three HVAC technicians.

Alderman Clancy stated if I was to do it, I would take the \$92,000 from the pilot program and hire one more plumber and maybe one more HVAC technician because you know you need those guys more than you need landscaping. We need at least two plumbers. One plumber is no good.

Alderman Levasseur stated to me this is what good management is all about and this is the kind of stuff that I will increase and spend money for because I like to see results and I think this is where you are going to see...the taxpayer can walk into the school and see. Now I went to Central and toured Central and I toured West and actually along the handrails those have not been painted. As you walk into the building and go up the stairs, the handrails are all completely worn down to nothing and I asked the principal how it could be like this. It would only take a guy a couple of hours to paint that and clean it up and it would make it a lot easier to wipe and clean for the ServiceMaster people. Now I am going to talk to this Board right here and say that part of the negotiations and part of this budget process is right here. This is where we need to make a difference in this budget. Now I would be willing to say...I would take this cost right here and give you these four positions. I would give you one painter and a plumber. These are things that can directly effect the conditions of the schools now so would you be willing to say this and maybe the Mayor would agree to this, we take the \$578,000 that you appropriated for the extra five FTE's and split that down the middle and give him \$250,000 and fund these four positions and we would cover all of our bases and we would really, I think, make a great improvement in the schools and get these people to be able to do this work without having to go to outside sourcing. Would that be something that you would be amenable to?

Mayor Baines replied the schools would have to agree.

Alderman Levasseur stated well the Building & Sites Committee agreed to this \$204,000 but they haven't agreed yet to the other one that you did so you could make that change pretty quickly without...

Mr. Thomas interjected I would suggest that you let us put together a revised proposal based on what we are talking about because I think there is merit in expanding the ServiceMaster contract to address a lot of the issues of cleanliness. There are some that I mentioned like the groundskeeper that are niceties and I don't see as a high priority. Let me see if I can mix and match and come back to you with a proposal.

Alderman Levasseur stated if you could mix and match these and come up with the same price for what the Mayor has proposed I think you would have a better combination and I think this Board is amenable to that because I think that is something that we would be able to see immediate results from.

Mayor Baines stated I support going back and discussing it but I need to make a pitch about our school grounds. Our schools grounds...no one has ever taken responsibility for our school grounds. If you drive by Bakersville School, a gateway to our City...we need to start addressing those things. You drive by West High School on the Main Street side all of the work we have done on school grounds was money that we raised working with parents and students and no one

takes any responsibility for it. Main Street, people drive by the school and it is a mess on that side of the school. At some point in time we thought through this proposal we could start demonstrating that we can upgrade the school grounds and make them attractive as people are in the neighborhood. It is a neighborhood issue to me because the schools are a source of a lot of pride in the neighborhood and that was a way to address it. I think we need to also think about how we can begin to address and some creative ways to start improving the school grounds. They are, in a sense, equally important but I know when you are establishing priorities...

Alderman Levasseur interjected I just drove by West High School and did some camera work for my TV show and I saw how beautiful the grounds look over there.

Mayor Baines stated that is because...

Alderman Levasseur interjected that is because the squeaky wheel gets the oil. It is beautiful over there. Just lately they got beautiful bark and nice plants.

Mayor Baines stated that is all money that we raised to do that. We sold bricks to create the walkway. I raised money while I was there to do turf. We raised all of the money to do those school grounds. That is how we did it.

Alderman Gatsas stated, Frank, according to the ServiceMaster contract, does it prohibit the City or the School District from using one school as a pilot program and not having ServiceMaster in there or must they do all of the schools.

Mr. Thomas replied the contract that we presently have with ServiceMaster is for them to do all schools. Now that doesn't mean that we couldn't sit down and negotiate an amendment to the contract. If you funded the things that have been presented tonight, that would require a contract change and an amendment. That is something that is possible. Keep in mind that if you are looking at doing pilot programs and this and that you have to do some planning in advance. You have to buy equipment and you are going to have to get personnel and train them and this and that so it is something that you have to do a little advance work on. I don't know if I am making myself clear.

Alderman Gatsas responded I hear where you are going. I would just like...if we have that ability we certainly have to at least address that one we all hear about the cleanliness of the schools and what that changes. I think we have to take a look at some sort of a pilot program so that we have a comparison because that is the only way we are going to make a fair assessment of whether we need to go back to the way it used to be or continue with the service contract that is done in a year. I would say that with your expertise in this field there may be a different venue that we should at least look at one school or two schools and say yes it works this way

or no it doesn't and there is no reason to continue thinking about bringing our people back in-house. Until we have a comparison, there is no way we should make a judgment and I think there is enough money in here that if we do an amendment to a contract we should take a look at doing a pilot program so that in a year from now or nine months from now if there is a definite change in the status of the schools we can say okay there is no reason to extend the contract we have three or four months to get this program into play and we will give them a short-term contract for three or four months until we get our people in those positions. To make that decision a year from now...we are not going to have anything to compare to.

Mayor Baines stated you are saying take a school like Central and say okay let's staff that school with our own custodians for a year.

Alderman Gatsas replied right and see what the difference is on a cleanliness basis to say Memorial. Now maybe Central and Memorial would be two different...

Mayor Baines interjected just as a sideline when they were going the other way with this project that was a suggestion I made with the previous administration was to do the privatization on an experimental basis the same way and perhaps we wouldn't have gone down this road as far as we did with it so that is not a bad suggestion. I don't know how we would do it, but it is something we could think about.

Alderman O'Neil stated I think you have to find the right two schools because Central and Memorial are...some schools have a lot of carpeting and others have tile floors. I think it is a good idea, but we would just have to find two comparable schools.

Alderman Gatsas stated well there are three schools that are a pretty easy mix – Smyth Road, Jewett Street and Gossler are all three the same vintage and same construction.

Mayor Baines stated what we are going to do based upon that suggestion is Frank will sit down with ServiceMaster and come back and see if there is a possibility to do this.

Alderman Levasseur stated I can promise you what is going to happen. These two are going to be in competition and you will be able to see your face in the floor and you will be able to eat off of them because they are going to be saying I want my job back and the other ones are going to be saying I want to keep my contract. It is going to be a strange situation.

Alderman Wihby stated Frank looking at that sheet that says line item increases, 591, Contract Manpower, +\$544,000 that number is in the Mayor's total number that he gave the School Board.

Mr. Thomas replied that is correct.

Alderman Wihby asked and this is something that is a chargeback and we have had all kinds of problems with chargebacks but they agreed that that is what they wanted. That they wanted to add the \$544,000 and they are fine with the chargeback number and this is what they wanted done?

Mayor Baines stated I need to answer that. They said yes to that as part of their \$119 million increase.

Alderman Wihby stated that is what I am getting at. We could sit here and say all we want. Let's go to the other one that says Contract Manpower with the five new positions for \$204,000. Now the Building & Sites Committee said okay we will take that and we will pay 85%. Actually is that what is happening now with the ones we have? Are they paying an 85% chargeback to the positions that we have now?

Mr. Thomas replied no they get that billed on actual time spent through the work order system. Estimating it is approximately 85%.

Alderman Wihby asked that is using an estimate for now.

Mr. Thomas answered that is correct.

Alderman Wihby asked so you sat down with them and you talked to Building & Sites and they said yes it sounds good to us and 85% is fair and we are willing to try this. Now are they willing to try this in the \$114 million that they have?

Mayor Baines answered we don't know.

Alderman Wihby asked are they willing to try this instead of the \$500,000. We don't know. So we could sit here and say all we want but we don't have a list from them on what they want to do.

Mayor Baines stated we are meeting with the schools in another week.

Alderman Wihby stated so we are going to end up with a chargeback again that could be millions of dollars different and they are going to say well you wanted to clean the schools and we didn't want to clean the schools or we wanted landscaping and that is what we are going to do it. Before we even talk about

adding or subtracting or doing different things find out what they want to put their money towards?

Mayor Baines answered yes and we have made that very clear and I have repeated it at the School District level and Wayne has made this point with the departments. We feel we are at the point where all of the different agencies that the School District interacts with on the City side need to have a contract.

Alderman Wihby stated for every single chargeback number.

Mayor Baines replied absolutely and we have said that to all of the departments and I said that when I did my budget presentation. That this was contingent upon them signing a contract. It is within their ballpark right now. They could go in and sign this contract with ServiceMaster for the upgraded services. They are obligated to that sum of money. It would be the same thing with the other services that are provided by the City.

Alderman Wihby stated just to take these five new positions, the Aldermen get the heat if things are painted and I can just hear them saying well they asked for it and they put it in our budget and we are going to assume they want it and that they are going to put it in their chargeback and then they are going to decide they don't want to pay a chargeback or we don't put it in because they didn't say yes and all of the sudden they say gee we would have done that but the Aldermen took it out. Before we decide on any department coming forward for a chargeback number, we should know from them what they want to pay. We are wasting our time. We wasted an hour on this subject of wanting clean schools. Like nobody wants clean schools? We all want clean schools but they are the ones that have to prioritize.

Mayor Baines replied I agree with you.

Alderman Gatsas stated just to follow-up on what Alderman Wihby said, I am looking at chargebacks for cleanliness or care of schools from...I will give you an example and I guess that is where his concern is coming from. I am looking back and saying I guess maybe I have a concern.

Alderman Wihby asked are these amounts they are not paying. Your Honor, that is why I had asked to have the school budget in front of us first before we sat down with the other departments to find out exactly how they want to deal with the chargeback numbers and the debt service numbers and all of the different numbers that we hear them arguing over.

Mr. Robinson answered for the FY02 budget, the chargeback numbers that the City departments have presented came from the School District. The numbers there did not come from the departments themselves. They came from the School District.

Alderman Wihby asked the number they want to spend in the budget. That is their number that they send they want to spend?

Mr. Robinson answered that is correct.

Alderman Wihby asked so was the \$500,000 for the increases in the ServiceMaster contract something that they are saying they want to do.

Mr. Robinson answered that is correct.

Alderman Wihby stated and then they have a Committee that votes and says we want to do \$204,000 or 85% of \$204,000 and that is not in there.

Mr. Thomas replied that is in there.

Alderman Wihby responded that is not in there I was told. The \$204,000 or the five new positions is not in the chargeback number, right?

Ms. Connor replied yes it is. They approved the \$204,000.

Alderman Wihby stated well we are playing games again.

Alderman Levasseur stated point of clarification, Mayor, I think you said that it was in their original \$119 million request but not in the \$115 million.

Mayor Baines replied that is correct. I don't know where they are going to make their adjustments. That is an unanswered question. They may want to adjust those figures based on the bottom line that I have given them and again based on the bottom line that may come out of this process. It is going to be fluid right up until the last day.

Alderman Gatsas stated I am looking at a committee report that was submitted to the Committee on Accounts, Enrollment & Revenue Administration on April 4 and it shows open invoices over 90 days. Manchester West High School - custodial contract manpower, invoice 9814404 for 5/9/2000, \$234.00. Now I can go through and probably read 20 or 30 more just on this page. There is Memorial High School, Manchester School of Technology, Hallsville, and if I flip through I am sure I would find some others.

Mayor Baines replied and your point is what.

Alderman Gatsas responded the point is that open invoices that are here from 1999 and 2000, if we are questioning chargebacks I am back to where Alderman Wihby is. We are talking about something that we don't even know if they are going to do.

Ms. Connor stated the invoices that you are talking about were for outside school usage like when they contracted or someone contracted to have a custodian open the building after school for a dance or something like that and then they did not pay the invoice. That is what some of those invoices that you are talking about are for.

Mayor Baines asked give me an example where a school would have an outstanding invoice and not pay it.

Ms. Connor answered sometimes the School of Technology would have testing later in the evening or on the weekend and someone would call and they would contract to have the school opened and then they didn't pay the invoice.

Mayor Baines stated I am confused about that.

Mr. Thomas stated well say the 4H wants to use a gym and they have to have a custodian there for the night. They agree to pay the custodian but for whatever reason and I shouldn't be using the 4H but for whatever reason they don't pay the bill. That is what is passed on from the School District to us as a non-payment.

Ms. Connor stated it could be the Booster Club of the school or something also.

Alderman Wihby asked is the money owed to the school. The invoice says School Department. It doesn't say 4H Club and it doesn't say Booster Club. The School is the one they should be paying and the School should be paying the City and going after the club that is not paying.

Mr. Thomas answered I guess you are right.

Alderman Wihby asked, your Honor, in your budget message you said you added one position to the budget in Assessors and now you are telling me that you added these four.

Mayor Baines answered I was talking about the City side. The chargebacks were agreed to and we made it clear during my budget message that we had added certain things including ServiceMaster as a chargeback on the School side. Their personnel on the School side is a totally different issue.

Mr. Thomas stated the Mayor's budget did not include these five positions that we are talking about.

Alderman Wihby replied I have heard two different answers now in five minutes. The Mayor said it didn't and then you guys said it did and now the Mayor is saying it did and you are saying it didn't.

Mr. Thomas stated we made a presentation to the School Board. We proposed the increased expanded ServiceMaster services, which they agreed to. We suggested five new employees and they agreed to that too so when we made our submission to the Mayor, it included both the enhanced ServiceMaster and these five employees. The Mayor put his budget together and kept ServiceMaster expanded services but dropped the five employees. What we are trying to say is as far as chargeback numbers and as far as approvals, both proposals have been run by the School Board and accepted. The Mayor has only proposed in his budget half of that.

Alderman Wihby asked if the School Department had met with you, your Honor, and said they wanted 85% or \$200,000 to take care of these items and they were willing to take it out of the chargeback number why wouldn't you have given it to them.

Mayor Baines answered we have a \$5 million gap between the school and my budget right now.

Alderman Wihby asked so you didn't necessarily take this out. You cut them \$4 million or whatever it is...

Mayor Baines interjected what we did was look at each of the line items, including salaries, projected FTE's this year going forward in terms of some of the positions that they were looking at hiring such as Spanish teachers and some of the other positions that they were indicating for the McLaughlin School and others. We took that into consideration within their budget and within ServiceMaster I held out separately contingent upon them signing a contract. The School District...as you know all you can do is the bottom line and they are going to adjust things now and they are going to come in and meet with you and say based upon this bottom line this is our recommendation. They may come in and say we only want ServiceMaster to stay as it is.

Alderman Wihby asked so when Frank is saying they agreed, they agreed when the number was \$119 million, not since they got cut.

Mayor Baines answered that is correct.

Alderman Hirschmann stated the School District, the position they are in now and I even said this to them that their Business Administrator should, in fact, try to put out to bid and try to get RFP's and contracts for all things we are charging them back for whether it is plowing...the more things that they go out and procure on their own the less they are going to be charged back from the City and maybe sometimes they will find better prices.

Mayor Baines replied we have to be careful of that because the services that are provided could impact the various departments within the City as well. For example, the Health Department.

Alderman Hirschmann responded but if it ultimately delivers a more inexpensive product for the School District...

Mayor Baines interjected we made it very clear to them and to the Superintendent that we wanted him because we said we depend upon you getting hard figures with the various departments on this side to build their budgets as well so that is why that is a critical point. If they are going to look at certain services that they are going to take outside of the City departments providing the services, you almost need a year lead time on that.

Alderman Hirschmann stated my point for Barbara is if the School District decided to go down the road to the custodians again how much of a reinvestment of equipment would we need. Do we have a warehouse of polishers, etc.?

Ms. Connor replied all of that old equipment was put out to auction.

Alderman Hirschmann asked so we would have to reinvest hundreds of thousands of dollars.

Ms. Connor answered probably about \$250,000.

Mr. Thomas stated first of all I think what you have to keep in mind if you are going to go back into that business you really have to start doing that about three to four months in advance of the cut over date. The reason being that you are going to have to procure equipment, product, supplies, and the big thing is to get 100 to 110 employees and then train them. You are not going to do that from June 30 to July 1.

Mayor Baines replied I have made it very clear that if we are going to move back it is not going to be accomplished in one year. It is going to have to be something that we phase in. Now we have talked to ServiceMaster about this, I think, when I first came into office. ServiceMaster in most situations don't have their own employees. In most of their situations they manage city employees.

Alderman Cashin stated when we first talked about this when Dick Houle was in charge and I was Chairman of Lands & Buildings, the intent was to hire ServiceMaster management retaining the custodians that we already had because many of us didn't feel it was fair to lay these people off. What happened was we hired ServiceMaster and they hired their own employees because that is the way the Administration wanted it at that time and it was the wrong thing to do.

Mr. Thomas stated in addition to that it wasn't ServiceMaster Corporate, it was a local ServiceMaster and there is a big difference.

Alderman Cashin replied right it was a franchise and it didn't work. First we had WFF and that didn't work and then we had a ServiceMaster franchise and that didn't work and then we went to ServiceMaster National which I had at the hospital, but all I had was ServiceMaster management. The employees belonged to the hospital. What the City did was hire ServiceMaster and ServiceMaster employees. It doesn't have to be that way. You have much better control quite frankly if the employees are yours and you just hire the management and that is what I would recommend.

Mayor Baines stated as we move forward, they are willing to look at that.

Alderman O'Neil stated there wouldn't necessarily have to be a reinvestment in equipment. Through their management program you use their equipment and material, correct.

Alderman Cashin replied certainly. You can negotiate anything.

Alderman Thibault asked, Barbara, how much more square footage do we have today then when we first initiated the contract with ServiceMaster.

Ms. Connor answered I am not sure.

Alderman Thibault stated you had the addition to Parkside and the new McLaughlin School. That in major part is the major increase that we see in ServiceMaster now where they are looking for more people. It is because of the increased square footage that we have given them to do.

Mr. Thomas replied that is a portion of it, but what we were proposing by that expanded ServiceMaster contract was to improve the level of cleanliness. If you want the floors mopped more times a week you have to pay for that and that is what the expanded services will cover.

Alderman Thibault stated I just want to understand that the increased workload we gave them is why we need more people to clean the schools, too.

Mr. Thomas replied that is partly correct.

Alderman Thibault stated the other thing I want to say is as far as the two painters I cannot imagine any company that would have as many buildings as the City owns and lay off two painters in 1989. That is the dumbest thing I have ever heard of. That is something that I would vote for right now.

Alderman Vaillancourt stated this is a tremendous eye opening experience, although it is an experience in futility as it has been expressed by my colleagues on the other side because this is mostly a school issue and I have come to have less and less trust in what we are given by the School District every day I sit here. We heard earlier tonight how we can't really do much more with sidewalks, how we can't go to the every week recycling program because we don't have the \$343,000 and it is again a question of priorities but it is obvious that this Board cannot control all of the priorities and we have another Board that wants to spend \$60,000 on a floor enhancement mobile team and another \$92,000 on a pilot landscaping for three schools. Then, they have their people come in and sit here at a public hearing and saying give them everything they want because there is not one little thing that is not so precious that we dare touch it. Well, I think we have just seen from the very tip of the iceberg how there is a lot that can be touched in here and if this is in a \$500,000 item some of the things that I think could be touched, I shudder to think what could be touched in the rest of that school budget. I am very discouraged as I sit here and would certainly like when you come back trying to fund those four new positions to get rid of that floor enhancement team as well as the landscaping pilot project.

Mayor Baines stated just for clarification that proposal came from Building Maintenance. It did not come from the School District.

Alderman Vaillancourt asked what proposal came from Building Maintenance. The two-floor management sweeping teams?

Mayor Baines answered yes.

Ms. Connor stated it was a response to a request from the Building & Sites Committee.

Alderman Vaillancourt asked which is the schools.

Ms. Connor answered yes.

Alderman Vaillancourt stated then it was a fair comment.

Mayor Baines stated again the proposal came to me from Frank Thomas. He came in and proposed it to me to support because he was tired of the complaints about the schools.

Alderman Vaillancourt replied well it sounds like tonight he doesn't want the pilot landscaping program. It sounds like from what he said tonight it wasn't one of his priorities.

Mr. Thomas stated there was a combination here. First of all, we wanted to improve the level of cleanliness because quite frankly we are tired of hearing complaints from teachers, principals, parents and students that the floors and classrooms were dirty. What was contracted with ServiceMaster was being met so the only way we could enhance the level of cleanliness was to add more custodians and put that mobile floor cleaning team out there. ServiceMaster also, based on a request from the School Board, looked at proposing a pilot program to enhance the appearance because some on the Board felt the schools were crappy. That was a reasonable proposal brought forward and was part of the whole package that went to the School Board and got their blessing.

Alderman Pariseau asked Frank if you are indeed fortunate to acquire those two painters, could their first activity be painting the flagpole at Bakersville School.

Mr. Thomas answered I think you need a special union card to do that.

Alderman Pariseau moved to adjourn.

Alderman Shea stated the School of Technology, I believe, has some sort of component where kids do work with landscaping and so forth and I am not sure if you could contact the principal there and see if they could do some work around the high schools to take care of some of the beautification. I think that Alderman Gatsas has a very fine proposal concerning the pilot programs but you really have to have it initiated at the three levels if you wanted to get some results. Take a survey of which schools are compatible in terms of size and so forth. The other point is that we recently had a hearing Monday on the BOCA code and I was wondering if you have some kind of schedule concerning the maintenance. I know you hit upon that but obviously one of the real problems we have had is the fact that we really haven't had any kind of maintenance procedures and as you know you are always reacting to problems rather than having some sort of maintenance schedule. If that is not in place, what happens is like with roads they break up and you have to go and spend a lot of money whereas if you were to have some sort of code following the City code so that we don't have, as Alderman Pariseau stated we don't have snow on the roof we have leaky roofs. Frank, is that a thought process that you have been going through?

Mr. Thomas replied yes. When we entered into the ServiceMaster contract what we did build into it was a minimal amount of preventive maintenance, which was never done before. Some filters in schools were never changed. They were the original filters that were put in when they were built. ServiceMaster did put together a scheduled PM program, even though it is fairly limited. Barbara's people have also put together programs dealing with safety issues like sprinkler inspections and such. We are looking at that, but again it is a building process. We would like to arrive at a point where every mechanical piece of equipment is on a PM schedule program, not only in the schools but in all of the other municipal buildings. However, that takes time, money and resources and we can only do what we are funded to do. That is why in this budget process we requested five additional people to work full-time out of Building Maintenance. When you stop and think about it, nine technicians for all of the facilities in Manchester is totally ridiculous. I think there has to be a building process unless you are going to depend on the private sector.

Mayor Baines stated the only thing I am going to say is once upon a time a Board sat in this Chamber and made the decision to cut all of those people out of the schools and that department.

Alderman Cashin stated at the hospital, I had 17 people in maintenance just in one building. Now most of that equipment today would be 30 years old and it is only now that they are looking at replacing some of that stuff. If you do it right, you are going to save money in the long run. There is no question in my mind about that. If you nickel and dime it...we are talking about the same things now that we were talking about in 1988. These are our buildings and if we want to maintain them then we have to hire the people that are going to do it and we have to do it right. If you do, you are going to save money in the long run. ServiceMaster can sit down and show it to you or I could sit down and prove to you that if you maintain this equipment properly in the long run you save money.

Mayor Baines replied I echo that. If some of these decisions had not been made I think some of these buildings would not be in the poor shape they are in right now. You are going to pay in one place or the other and we are paying now.

Alderman Lopez stated I think the Chairman is absolutely correct and I don't think we can make any logical decisions until we get the School budget people in here on the \$119 million. If they only want to go to \$114 million what are they going to cut out? Until we get their budget we can't do anything.

Alderman Gatsas stated I have a question for you, your Honor, because I am looking here at the health insurance line again, which is Page 21, 0211. I notice that the increase on this one is only 3% and when we were talking before it was 15%.

Mr. Tawney stated people change what coverage they are taking.

Alderman Gatsas replied let me try to make it a little clearer. The revised budget number in Highway on Page 30, when we talked about this number the number was \$982,885. The recommended Mayor's increase was 15%. If I go back to this budget and I look at the revised budget amount of \$64,210, the Mayor's recommended is \$67,306, which is a...excuse me it is \$92,616 and the Mayor's recommended is \$95,964, which is 3%. Why is there a difference of 3% in one and 15% in the other if we are not telling these departments that they are actual head counts? How can one be a 15% increase and another one only be 3%?

Mr. Tawney stated the answer is that the difference was...there were differences in the people and what they were taking and as we figured out what the cost was we...

Alderman Gatsas interjected let's try this one more time. The revised budget number for health insurance is \$92,616. Now are you saying to me that the revised amount and the number that the Mayor recommended have different amounts of singles, couples and families in that mix?

Mr. Tawney replied the revised amount was the revised amount for FY01 and then the Mayor's recommended for this year is a different mix.

Mayor Baines stated we are obviously not going to settle this tonight. If you could just get the background on all of these departments and have the actual numbers of what it represents we can get the answers we need.

Alderman Lopez asked, Frank, how can the public help in getting the sidewalks cleaned and the streets cleaned in their particular area. Our City is pretty dirty and it is not your fault or anybody else's fault, but how can the public help?

Mr. Thomas answered obviously if they do have a sidewalk in front of their property if they could sweep the sidewalk and sweep it in towards the gutter, we have our street sweeping equipment out there to pick it up. If it is leaves or debris, instead of just pushing that out into the street rake it up and bag it so that it can be picked up by Waste Management.

There being no further business to come before the Committee, on motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee